

Porter	Saxton	Thomas (CA)
Quillen	Schaefer	Thomas (WY)
Ramstad	Schiff	Upton
Ravenel	Schulze	Vucanovich
Regula	Sensenbrenner	Walker
Rhodes	Shaw	Walsh
Ridge	Skeen	Weber
Riggs	Smith (NJ)	Weldon
Rinaldo	Smith (TX)	Wolf
Roberts	Snowe	Wylie
Rogers	Solomon	Young (AK)
Rohrabacher	Spence	Young (FL)
Ros-Lehtinen	Stearns	Zeliff
Roth	Stump	Zimmer
Roukema	Sundquist	
Santorum	Taylor (NC)	

NOT VOTING—33

Alexander	Hayes (LA)	Moody
Anthony	Hertel	Moran
AuCoin	Ireland	Penny
Barnard	Jones	Perkins
Berman	LaFalce	Pursell
Blackwell	Leach	Russo
Boxer	Lent	Shuster
Clinger	Lowery (CA)	Smith (OR)
Conyers	Markey	Stokes
Edwards (OK)	Mavroules	Vander Jagt
Foglietta	McCurdy	Washington

So the motion to strike out all after the enacting clause of S. 1330 and insert the provisions of H.R. 5231, as passed by the House, was agreed to.

The question being put, *viva voce*,

Will the House now order the third reading of the bill?

The SPEAKER pro tempore, Mr. DARDEN, announced that the yeas had it.

Accordingly,

The bill, as amended, was read a third time by title.

The question being put, *viva voce*,

Will the House pass said bill, as amended?

The SPEAKER pro tempore, Mr. DARDEN, announced that the yeas had it.

On a division demanded by Mr. WALKER, there appeared, yeas—65, nays—10.

So the bill was passed.

By unanimous consent, the title was amended so as to read: "An Act to amend the Stevenson-Wylder Technology Innovation Act of 1980 to enhance manufacturing technology development and transfer, to authorize appropriations for the Technology Administration of the Department of Commerce including the National Institute of Standards and Technology, and for other purposes."

The question being put, *viva voce*,

Will the House reconsider said vote?

The SPEAKER pro tempore, Mr. DARDEN, announced that the nays had it.

So the House refused to reconsider the vote whereby said bill was passed.

Ordered, That the Clerk request the concurrence of the Senate in said amendments.

By unanimous consent, H.R. 5231, a similar House bill, was laid on the table.

¶111.14 PROVIDING FOR THE CONSIDERATION OF H.R. 3298

Mr. FROST, by direction of the Committee on Rules, called up the following resolution (H. Res. 573):

Resolved, That at any time after the adoption of this resolution, the Speaker may, pursuant to clause 1(b) of rule XXIII, declare

the House resolved into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 3298) to enhance the financial safety and soundness of the banks and associations of the Farm Credit System. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill, modified by the amendment printed in section 2 of this resolution. The committee amendment in the nature of a substitute, as modified, shall be considered as read. Points of order against the committee amendment in the nature of a substitute, as modified, for failure to comply with clause 7 of rule XVI are waived. No amendment to the committee amendment in the nature of a substitute, as modified, shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each amendment printed in the report may be offered only in the order printed, may be offered only by the named proponent or a designee, shall be considered as read, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. Any time specified in the report for debate on an amendment shall be equally divided and controlled by the proponent and an opponent. All points of order against amendments printed in the report are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the whole to the bill or to the committee amendment in the nature of a substitute, as modified. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After passage of H.R. 3298, it shall be in order to take from the Speaker's table the bill S. 1709 and to consider the Senate bill in the House. All points of order against the Senate bill and its consideration are waived. It shall then be in order to move to strike all after the enacting clause of the Senate bill and to insert in lieu thereof a text consisting of the provisions of H.R. 3298, H.R. 4906, H.R. 5237, H.R. 5741, H.R. 5763, and H.R. 5764, each as passed by the House. All points of order against that motion are waived. If the motion is adopted and the Senate bill, as amended, is passed, then it shall be in order to move that the House insist on its amendments to S. 1709 and to request a conference with the Senate thereon.

SEC. 2. The amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill is modified as follows:

Strike all after page 33, line 12 (strike title V).

When said resolution was considered.

After debate,

By unanimous consent, the previous question was ordered on the resolution to its adoption or rejection and under the operation thereof, the resolution was agreed to.

A motion to reconsider the vote whereby said resolution was agreed to was, by unanimous consent, laid on the table.

¶111.15 FARM CREDIT SYSTEM

The SPEAKER pro tempore, Mr. MURPHY, pursuant to House Resolution 573 and rule XXIII, declared the House resolved into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 3298) to enhance the financial safety and soundness of the banks and associations of the Farm Credit System.

The SPEAKER pro tempore, Mr. MURPHY, by unanimous consent, designated Mr. BENNETT as Chairman of the Committee of the Whole; and after some time spent therein,

The SPEAKER pro tempore, Mr. MCNULTY, assumed the Chair.

When Mr. BENNETT, Chairman, pursuant to House Resolution 573, reported the bill back to the House with an amendment adopted by the Committee.

The previous question having been ordered by said resolution.

The following amendment, reported from the Committee of the Whole House on the state of the Union, was agreed to:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Agricultural Credit, Rural Development, and Commodity Marketing Improvements Act of 1992".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—FARM CREDIT BANKS AND ASSOCIATIONS SAFETY AND SOUNDNESS ACT OF 1992

Sec. 1001. Short title.

Sec. 1002. References to the Farm Credit Act of 1971.

SUBTITLE A—FARM CREDIT SYSTEM INSURANCE CORPORATION

Sec. 1101. Statutory successor to Assistance Board agreements.

SUBTITLE B—REMOVAL OF HINDRANCE TO MERGERS

Sec. 1201. Sectional representation on boards of directors.

SUBTITLE C—CLARIFICATION OF OBLIGATION OF FARM CREDIT BANKS FOR REPAYMENT OF DEBT ISSUED BY FARM CREDIT SYSTEM ASSISTANCE CORPORATION

Sec. 1301. Capital preservation.

Sec. 1302. Preferred stock.

Sec. 1303. Systemwide repayment obligation.

Sec. 1304. Repayment of Treasury-paid interest.

Sec. 1305. Transfer of obligations from associations to banks, and other matters.

Sec. 1306. Defaults.

Sec. 1307. Authority of Financial Assistance Corporation.

Sec. 1308. Technical amendments.

SUBTITLE D—CLARIFICATION OF CERTAIN AUTHORITIES

Sec. 1401. Clarification of the status and powers of certain institutions of the Farm Credit System.

SUBTITLE E—DISCLOSURE REQUIREMENTS

Sec. 1501. Financial disclosure and conflict of interest reporting by directors, officers, and employees of Farm Credit System institutions.

TITLE II—AGRICULTURAL CREDIT IMPROVEMENT ACT OF 1992

Sec. 2001. Short title.

SUBTITLE A—AMENDMENTS TO THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

- Sec. 2101. Beginning farmer and rancher program.
- Sec. 2102. Processing of applications for farm operating loans.
- Sec. 2103. Time period within which county committee is required to meet to consider applications for farm ownership and operating loans and guarantees and beginning farmer plans.
- Sec. 2104. Debt service margin requirements; certified lender program.
- Sec. 2105. Federal-State beginning farmer partnership.
- Sec. 2106. Graduation of borrowers with operating loans or guarantees to private commercial credit.
- Sec. 2107. Simplified application for guaranteed loans of \$50,000 or less.
- Sec. 2108. Targeting of loans to members of groups whose members have been subjected to gender prejudice.
- Sec. 2109. Recordkeeping of loans by borrower's gender.
- Sec. 2110. Increase in period during which county committee loan eligibility certification continues in effect.
- Sec. 2111. Limitation on aggregate indebtedness.
- Sec. 2112. Graduation of seasoned borrowers to the loan guarantee program.
- Sec. 2113. Deadline for issuance of regulations.

SUBTITLE B—AMENDMENTS TO THE FARM CREDIT ACT OF 1971

- Sec. 2201. Valuation of reserves of production credit associations.
- Sec. 2202. Elimination of authority of Farm Credit System Insurance Corporation to appoint nonvoting member of Farm Credit System Funding Corporation Board.
- Sec. 2203. Expansion of water and sewer lending authority of banks for cooperatives.
- Sec. 2204. Equity voting for one director of each bank for cooperatives.
- Sec. 2205. Per diem compensation of bank directors.
- Sec. 2206. Frequency of examinations of system institutions.
- Sec. 2207. Authority to examine system institutions.
- Sec. 2208. Repeal of prohibition against guarantee of certain instruments of indebtedness.
- Sec. 2209. Clarification of treatment of Farm Credit Administration operating expenses.
- Sec. 2210. Approval of competitive charters.

SUBTITLE C—TECHNICAL CORRECTIONS

- Sec. 2301. Technical corrections.

SUBTITLE D—EFFECTIVE DATE

- Sec. 2401. Effective date.

TITLE III—RURAL ELECTRIFICATION ADMINISTRATION IMPROVEMENT ACT OF 1992

- Sec. 3001. Short title.
- Sec. 3002. Discounted loan prepayment.
- Sec. 3003. Repeal of section 412.
- Sec. 3004. Repeal of section 311.
- Sec. 3005. Grants to enable providers of health care and educational services in rural areas to implement interactive telecommunications systems.
- Sec. 3006. Increase in limitation on population of rural areas for purposes of telephone loans.
- Sec. 3007. Sense of the Congress.
- Sec. 3008. Regulations.

TITLE IV—PERISHABLE AGRICULTURAL COMMODITIES ACT TECHNICAL AMENDMENTS OF 1992

- Sec. 4001. Short title.

- Sec. 4002. Reaffirmation of findings.

- Sec. 4003. Technical amendment.

TITLE V—EQUITABLE TREATMENT FOR SUGARCANE PRODUCERS

- Sec. 5001. Equitable treatment for producers.
- Sec. 5002. Adjustment after disaster.
- Sec. 5003. Clarifying and conforming amendments.

TITLE VI—USE OF ELECTRONIC COTTON WAREHOUSE RECEIPTS

- Sec. 6001. Use of electronic cotton warehouse receipts.

TITLE I—FARM CREDIT BANKS AND ASSOCIATIONS SAFETY AND SOUNDNESS ACT OF 1992

SEC. 1001. SHORT TITLE.

(a) SHORT TITLE.—This title may be cited as the "Farm Credit Banks and Associations Safety and Soundness Act of 1992".

SEC. 1002. REFERENCES TO THE FARM CREDIT ACT OF 1971.

Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.), except to the extent otherwise provided.

Subtitle A—Farm Credit System Insurance Corporation

SEC. 1101. STATUTORY SUCCESSOR TO ASSISTANCE BOARD AGREEMENTS.

(a) IN GENERAL.—Section 5.58(2) (12 U.S.C. 2277a-7(2)) is amended by adding at the end thereof the following: "The Corporation shall succeed to the rights of the Farm Credit System Assistance Board under agreements between the Farm Credit System Assistance Board and System institutions that certify such institutions as eligible to issue preferred stock pursuant to title VI on the termination of the Assistance Board on the date provided in section 6.12.".

(b) CONFORMING AMENDMENTS.—Section 5.35(4) (12 U.S.C. 2271(4)) is amended—

(1) by striking "and" at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(C) after December 31, 1992, mean any significant noncompliance by a System institution (as determined by the Farm Credit Administration, in consultation with the Farm Credit System Insurance Corporation) with any term or condition imposed on the institution by the Farm Credit System Assistance Board under section 6.6 or by the Farm Credit System Insurance Corporation under section 5.61.".

Subtitle B—Removal of Hindrance to Mergers

SEC. 1201. SECTIONAL REPRESENTATION ON BOARDS OF DIRECTORS.

Section 4.15 (12 U.S.C. 2203) is amended—

(1) by amending the section heading to read as follows:

"NOMINATION AND ELECTION OF BANK AND ASSOCIATION DIRECTORS.—";

(2) by inserting, before the text thereof, the following:

"(a) NOMINATION OF DIRECTORS.—"; and

(3) by adding at the end thereof the following new subsection:

"(b) SECTIONAL REPRESENTATION ON BANK AND ASSOCIATION BOARDS.—

"(1) IN GENERAL.—To ensure representation of geographical sections within the territory served by a bank or association of the Farm Credit System, each such bank (other than the National Bank for Cooperatives) or association may include in its bylaws governing the election of its board of directors provisions for the election of some or all of its members of the board to be elected by the stockholders:

"(A) at large;

"(B) from designated geographical sections of the territory served by the bank or association; or

"(C) as provided in both subparagraphs (A) and (B).

"(2) PROPORTIONALITY.—If members of the board of directors are elected by stockholders from designated geographical sections, the membership on the board elected from each section should reflect proportionately—

"(A) in the case of an association, the same number of stockholders; or

"(B) in the case of a bank, the same number of stockholder-borrowers of associations that accept, make, or otherwise provide loans in the designated sections of the bank's territory and that hold voting stock in the bank.

"(3) EXAMINATION OF SECTIONS.—The boundaries of the designated geographical sections shall be examined by the bank or association, as appropriate, at least once every three years and shall be readjusted, as necessary, to ensure such proportional representation of membership on the board."

Subtitle C—Clarification of Obligation of Farm Credit Banks for Repayment of Debt Issued by Farm Credit System Assistance Corporation.

SEC. 1301. CAPITAL PRESERVATION.

Section 6.9(e)(3) (12 U.S.C. 2278a-9(e)(3)), is amended—

(1) by adding at the end of subparagraph (C) the following: "Any bank leaving the Farm Credit System pursuant to Section 7.10 of this Act shall be required, under regulations of the Farm Credit Administration, to pay to the Financial Assistance Corporation the estimated present value of such future payment had the bank remained in the System. With respect to any bank undergoing liquidation under this Act, a liability to the Financial Assistance Corporation in said amount (calculated as if the bank had left the System on the date it was placed in liquidation) shall be recognized as a claim in favor of the Financial Assistance Corporation against the estate of such bank. The obligations of other banks shall not be reduced in anticipation of any such recoveries from banks leaving the System or in liquidation, but the Financial Assistance Corporation shall apply such recoveries, when received, and all earnings thereon, to reduce the other banks' payment obligations, or, to the extent such recoveries are received after the other banks have met their entire payment obligation, shall refund such recoveries, when received, to the other banks in proportion to the other banks' payments.";

(2) by redesignating subparagraph (D) as subparagraph (E);

(3) by adding a new subparagraph (D) as follows:

"(D)(i) In order to provide for the orderly funding and discharge over time of the obligation of each System bank to the Financial Assistance Corporation under subparagraph (C), each System bank shall enter into or continue in effect an agreement with the Financial Assistance Corporation under which the bank will make annual annuity-type payments to the Financial Assistance Corporation, beginning no later than December 1991 (except for any bank that did not meet its interim capital requirement on December 31, 1990, in which case such bank shall begin making such payments no later than December 31, 1993) in amounts designed to accumulate, in total, including earnings thereon, to 90% of the bank's ultimate obligation, and the Financial Assistance Corporation will partially discharge the bank from its obligation under subparagraph (C) to the extent of each such payment and the earnings thereon as earned.

"(ii) Such agreement shall not require payments to be made to the extent that making a particular payment or part thereof would cause the bank to fail to satisfy applicable regulatory permanent capital requirements, but shall provide for recalculation of subsequent payments accordingly.

"(iii) The funds received by the Financial Assistance Corporation pursuant to such agreements shall be invested in eligible investments as defined in Section 6.25(a)(1) of this Act, and such funds and the earnings thereon shall be available only for the payment of the principal of the bonds issued by the Financial Assistance Corporation under this subsection."; and

(4) by adding before the period at the end of subparagraph (E), as redesignated by paragraph (2) of this section, the following: ", nor shall the obligation to make future annuity payments to the Financial Assistance Corporation under subparagraph (D) be considered a liability of any System bank".

SEC. 1302. PREFERRED STOCK.

Section 6.26(d)(1)(B) (12 U.S.C. 2278b-6(d)(1)(B)), is amended by adding at the end thereof the following: "Each year beginning in 1992, as soon as practicable following the end of the prior year, each such institution (except institutions in receivership) shall appropriate from its earnings in the prior year to an appropriated unallocated surplus account with respect to preferred stock, the sum of—

"(i) the greater of—

"(I) such amount as the institution may be required to appropriate under any assistance agreement it has with the Farm Credit System Assistance Board or the Farm Credit System Insurance Corporation; or

"(II) the amount that, if appropriated to such account in equal amounts in each year thereafter until the maturity of the obligation referred to in subparagraph (A), would cause the amount in such account to equal the par value of the preferred stock issued by such institution with respect to such obligation; plus

"(ii) any amount that had been appropriated to said account in a previous year but had thereafter been offset by losses;

Provided, however, That an annual appropriation shall not be made to the extent that it would exceed the institution's net income (as determined pursuant to generally accepted accounting principles) in that year or to the extent that it would cause the institution's preferred stock to be impaired. The amount in such appropriated unallocated surplus account shall be unavailable to pay dividends or other allocations or distributions to shareholders or holders of participation certificates, and said account shall be senior to all other unallocated surplus accounts but junior to all preferred and common stock for purposes of the application of operating losses. Such appropriations of surplus by an institution shall not affect the treatment of its preferred stock (and of the appropriated unallocated surplus) as equity for purposes of regulatory permanent capital requirements."

SEC. 1303. SYSTEMWIDE REPAYMENT OBLIGATION.

Section 6.26(d)(1)(C) (12 U.S.C. 2278b-6(d)(1)(C)), is amended by adding at the end thereof the following: "The annual increase in the present value of the estimated obligation of each bank to the Financial Assistance Corporation hereunder shall be recorded each year as an expense item, in accordance with generally accepted accounting principles, on the books of the bank. A bank may (and, to the extent necessary to satisfy its obligations, shall) pass on (either directly, or indirectly through loan pricing or otherwise) all or part of such payment requirement to its affiliated direct lender associations based

on proportionate average accruing retail loan volumes for the preceding 15 years, but the bank shall remain primarily liable for such amount. Any bank leaving the Farm Credit System pursuant to Section 7.10 of this Act shall be required, under regulations of the Farm Credit Administration, to pay to the Financial Assistance Corporation the estimated present value of such future payment had the bank remained in the System, and a liability to the Financial Assistance Corporation in said amount (calculated as if the bank had left the System on the date it was placed in liquidation) shall be recognized as a claim in favor of the Financial Assistance Corporation against the estate of any bank undergoing liquidation. The obligations of other banks shall not be reduced in anticipation of any such recoveries from banks leaving the System or in liquidation, but the Financial Assistance Corporation shall apply such recoveries, when received, and all earnings thereon, to reduce the other banks' payment obligations, or, to the extent such recoveries are received after the other banks have met their entire payment obligation, shall refund such recoveries, when received, to the other banks in proportion to the other banks' payments. Any association leaving the Farm Credit System pursuant to Section 7.10 of this Act shall be required, under regulations of the Farm Credit Administration, to pay to its supervising bank a share, based on the association's retail loan volume relative to the retail loan volume of the bank and its affiliated associations had the association remained in the System, of the present value of such future payment, and a liability to the bank in said amount (calculated as if the association had left the System on the date it was placed in liquidation) shall be recognized as a claim in favor of the bank against the estate of any association undergoing liquidation."

SEC. 1304. REPAYMENT OF TREASURY-PAID INTEREST

(a) CONFORMING AMENDMENT.—Section 6.26(c)(5) (12 U.S.C. 2278b-6(c)(5)), is amended to read as follows:

"(5) REPAYMENT OF TREASURY-PAID INTEREST.—

"(A) IN GENERAL.—On the maturity date of the last-maturing debt obligation issued under subsection (a) of this section, the Financial Assistance Corporation shall repay to the Secretary of the Treasury the total amount of any annual interest charges on such debt obligations that Farm Credit System institutions (other than the Financial Assistance Corporation) have not previously paid, and the Financial Assistance Corporation shall not be required to pay any additional interest charges on such payments.

(B) ASSESSMENT.—In order to provide for the orderly funding and discharge of the obligation of the Financial Assistance Corporation under subparagraph (A), each System bank shall enter into or continue in effect, and comply with, an agreement with the Financial Assistance Corporation under which the bank will make annual annuity-type payments to the Financial Assistance Corporation, beginning no later than December 31, 1992 (except for any bank that did not meet its interim capital requirement on December 31, 1990, in which case such bank shall begin making such payments no later than December 31, 1993) in amounts designed to accumulate, in total, including earnings thereon, to an amount equal to the bank's ultimate obligation, and the Financial Assistance Corporation will partially discharge the bank from its obligation under this subparagraph to the extent of each such payment and the earnings thereon as earned. Except in the last five years prior to the date the Financial Assistance Corporation is obligated to make such repayment, no annual

payment may exceed .0006 times the bank's and its affiliated associations' average accruing retail loan volume for the preceding year.

"(C) INVESTMENT OF FUNDS.—The Financial Assistance Corporation shall invest funds derived from such investment in eligible investments as defined in section 6.25(a)(1) of this Act, and such funds and the earnings thereon shall be available only for the repayment to the Secretary of the Treasury provided for in subparagraph (A).

"(D) PASS THROUGH.—A bank may (and, to the extent necessary to satisfy its obligations, shall) pass on (either directly, or indirectly through loan pricing or otherwise) all or part of such assessments to its affiliated direct lender associations based on proportionate average accruing retail loan volumes for the preceding year, but the bank shall remain primarily liable for such amounts.

"(E) LIABILITY.—

"(i) BANKS TERMINATING SYSTEM STATUS OR IN LIQUIDATION.—Any bank terminating System status pursuant to Section 7.10 shall be required, under regulations of the Farm Credit Administration, to pay to the Financial Assistance Corporation the estimated present value of all future such assessments against the bank had the bank remained in the System, and a liability to the Financial Assistance Corporation in such amount (calculated as if the bank had left the System on the date it was placed in liquidation) shall be recognized as a claim in favor of the Financial Assistance Corporation against the estate of any bank undergoing liquidation.

"(ii) NO ANTICIPATORY REDUCTIONS IN OTHER OBLIGATIONS.—The obligations of other banks shall not be reduced in anticipation of any such recoveries from banks leaving the System or in liquidation.

"(iii) REFUND OF RECOVERIES.—The Financial Assistance Corporation shall apply such recoveries, when received, and all earnings thereon, to reduce the other banks' payment obligations, or, to the extent such recoveries are received after the other banks have met their entire payment obligation, shall refund such recoveries, when received, to the other banks in proportion to the other banks' payments.

"(F) ASSOCIATIONS TERMINATING SYSTEM STATUS OR IN LIQUIDATION.—Any association terminating System status pursuant to Section 7.10 of this Act shall be required, under regulations of the Farm Credit Administration, to pay to its supervising bank a share, based on the association's retail loan volume relative to the retail loan volume of the bank and its affiliated associations had the association remained in the System, of the estimated present value of all future such assessments against the bank, and a liability to the bank in said amount (calculated as if the association had left the System on the date it was placed in liquidation) shall be recognized as a claim in favor of the bank against the estate of any association undergoing liquidation.

"(G) CAPITAL REQUIREMENTS.—

"(i) IN GENERAL.—Until the date that is five years prior to the date on which the Financial Assistance Corporation is required to repay the Secretary of the Treasury pursuant to subparagraph (A), all assessments paid by banks to the Financial Assistance Corporation pursuant to subparagraph (B), and any part of the obligation to pay future assessments to the Financial Assistance Corporation under subparagraph (B) that is recognized as an expense on the books of any System bank or association, shall nonetheless be included in the capital of the bank or association for purposes of determining its compliance with regulatory capital requirements.

“(ii) DURING THE FINAL FIVE YEARS PRIOR TO REPAYMENT.—During the period beginning on the date that is—

“(I) five years prior to the date on which the Financial Assistance Corporation is required to repay the Secretary of the Treasury pursuant to subparagraph (A), sixty percent;

“(II) four years prior to the date on which the Financial Assistance Corporation is required to repay the Secretary of the Treasury pursuant to subparagraph (A), thirty percent; and

“(III) three years prior to the date on which the Financial Assistance Corporation is required to repay the Secretary of the Treasury pursuant to subparagraph (A), zero percent;

of all assessments paid by banks to the Financial Assistance Corporation pursuant to subparagraph (B), and of any part of the obligation to pay future assessments to the Financial Assistance Corporation under subparagraph (B) that is recognized as an expense on the books of any System bank or association, shall nonetheless be included in the capital of the bank or association for purposes of determining its compliance with regulatory capital requirements.”

(b) CONFORMING AMENDMENT.—Section 6.28 of the Farm Credit Act of 1971 (12 U.S.C. 2278b-8) is amended by striking subsection (b) and redesignating subsection (c) as subsection (b).

SEC. 1305. TRANSFER OF OBLIGATIONS FROM ASSOCIATIONS TO BANKS, AND OTHER MATTERS.

Section 6.26 (12 U.S.C. 2278b-6), is amended—

(1) in subsection (c)—

(A) by striking “INSTITUTIONS” in the heading of paragraph (2)(B) and inserting “BANKS”;

(B) by striking the word “institutions” each time it appears in paragraphs (2)(B), (3) and (4) and inserting in lieu thereof the word “banks”;

(C) by amending paragraph (2)(C) to read as follows:

“(C) ALLOCATION.—During each year of the second 5-year period, each System bank shall pay to the Financial Assistance Corporation a proportion, as calculated by the Financial Assistance Corporation, of the interest due from System banks under this paragraph equal to—

“(i) the amount of the average accruing retail loan volume of the bank and its affiliated associations for the preceding year; divided by

“(ii) the total average accruing retail loan volume of all such banks and their affiliated associations for the preceding year.”; and

(D) by striking paragraph (2)(D);

(2) in subsection (d)—

(A) in paragraph (1)(C)—

(i) by striking the word “institution” the first time it appears and inserting in lieu thereof the word “bank”;

(ii) by striking “under section 6.7(a)” and inserting in lieu thereof “or the Financial Assistance Corporation under sections 6.7(a) and 6.24, respectively.”;

(iii) by adding after “proportion” the following “, as calculated by the Financial Assistance Corporation.”;

(iv) by amending clauses (i) and (ii) to read as follows:

“(i) the average accruing retail loan volume of the bank and its affiliated associations for the preceding 15 years; divided by

“(ii) the average accruing retail loan volume of all such banks and their affiliated associations for the same period.”;

(B) by striking paragraph (1)(D); and

(C) by redesignating paragraph (1)(E) as paragraph (1)(D); and

(3) by adding at the end thereof the following new subsections:

“(e) ADMINISTRATION.—

“(1) DEFINITION OF RETAIL LOAN VOLUME.—As used in this section, the term ‘retail loan volume’ means all loans (as defined in accordance with generally accepted accounting principles) by a System bank or association, excluding loans by such a bank or association to another System institution.

“(2) CALCULATION OF AVERAGE ANNUAL LOAN VOLUMES.—For purposes of this section and section 6.9, average annual loan volumes shall be calculated using month-end balances.

“(3) EXCLUSION OF BANKS UNDERGOING LIQUIDATION.—For purposes of this section and section 6.9, the term ‘bank’ shall not include a bank that had entered liquidation prior to the enactment of this subsection.”

SEC. 1306. DEFAULTS.

Section 6.26(d) (12 U.S.C. 2278b-6(d)), is amended—

(1) by amending the heading of paragraph (3)(A) to read as follows: “CERTAIN PRINCIPAL AND INTEREST OBLIGATIONS.—”;

(2) in paragraph (3)(A)(i)—

(A) by striking “subsection (a),” and inserting the following: “subsection (a) of this section, on the payment of principal or interest due under subparagraphs (B) and (C) of section 6.9(e)(3), on the payment of principal due under paragraph (1)(C) of this section, or on the payment of an assessment due under subsection (c)(5)(B) of this section.”;

(B) by striking “of the interest” in the two places it appears; and

(C) by striking “institution” wherever it appears, and inserting in lieu thereof “bank”;

(3) in paragraph (3)(A)(ii)—

(A) by striking “of interest”;

(B) by striking “institution” and inserting in lieu thereof “bank”; and

(C) by striking “such uncollected interest”, and inserting in lieu thereof “any uncollected amount”;

(4) in paragraph (3)(A)(iii), by striking “added” and all that follows through the period at the end and inserting “allocated to other System banks in accordance with the allocation mechanism applicable under this Act to the particular defaulted obligation.”;

(5) by amending the heading of subparagraph (B) of paragraph (3) to read as follows: “PRINCIPAL OF BONDS ISSUED TO FUND PURCHASE OF PREFERRED STOCK.—”;

(6) in paragraph (3)(C)—

(A) by striking “INSTITUTIONS” in the heading to paragraph (3)(C) and inserting “BANKS”;

(B) by striking “institution” and inserting “bank”;

(C) by striking “institutions” both places it appears and inserting “banks”; and

(D) by striking “the amount of any interest”, and inserting in lieu thereof “any amounts”;

(7) in paragraph (4)(A), by adding after “subsection (a)” “of this section or section 6.9(e)(3)(A)”;

(8) in paragraph (4)(B)(i)—

(A) by amending the clause heading to read as follows: “CERTAIN PRINCIPAL AND INTEREST OBLIGATIONS.—”;

(B) by striking “subsection (c),” and inserting “subsection (c) of this section, on the payment of principal or interest due under subparagraphs (B) and (C) of section 6.9(e)(3), on the payment of principal due under paragraph (1)(C) of this subsection, or on the payment of an assessment due under subsection (c)(5)(B) of this section.”; and

(C) by striking “institution” wherever it appears, and inserting in lieu thereof “bank”; and

(9) in paragraph (4)(B)(ii), by amending the clause heading to read as follows: “PRINCIPAL OF BONDS ISSUED TO FUND PURCHASE OF PREFERRED STOCK.—”.

SEC. 1307. AUTHORITY OF FINANCIAL ASSISTANCE CORPORATION.

(a) PURPOSE.—Section 6.21 (12 U.S.C. 2278b-1) is amended by adding before the period at the end thereof: “and to assist, pursuant to section 6.9(e) and subsections (c) through (g) of section 6.26, in the repayment by System institutions of those who provided funds in connection with such program”.

(b) Section 6.31(a) (12 U.S.C. 2278b-11(a)) is amended by adding striking “terminate on” and inserting the following: “terminate on the complete discharge by the Financial Assistance Corporation of its responsibilities under Section 6.9(e) and subsections (c) through (g) of section 6.26 with regard to repayments by System institutions, but in no event later than two years following”.

SEC. 1308. TECHNICAL AMENDMENTS.

(a) TECHNICAL AMENDMENT TO THE FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT AMENDMENTS OF 1991.—Section 204(3) of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (P.L. 102-237; 105 Stat. 1855) is amended by striking “in section 1221(1)(D) (16 U.S.C. 3821(1)(D))” and inserting “in section 1221(a)(1)(D) (16 U.S.C. 3821(a)(1)(D))”.

(b) TECHNICAL AMENDMENTS TO THE FARM CREDIT ACT OF 1971.—

(1) Section 8.11(a)(1)(B)(ii) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-11(a)(1)(B)(ii)) is amended by striking “the date of enactment of this section” and inserting: “December 13, 1991”.

(2) Section 8.32 of such Act (12 U.S.C. 2279bb-1) is amended—

(A) in each of subsections (a), (b)(1)(D), and (b)(2), by striking “the date of the enactment of this section” each place such term appears and inserting “December 13, 1991”; and

(B) in subsection (b)(1)(E), by striking “the date of the enactment of such Act” and inserting: “December 13, 1991”.

(3) Section 8.3(c)(13) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-3(c)(13)) is amended by striking “8.11(g)” and inserting “8.11(e)”.

Subtitle D—Clarification of Certain Authorities

SEC. 1401. CLARIFICATION OF THE STATUS AND POWERS OF CERTAIN INSTITUTIONS OF THE FARM CREDIT SYSTEM.

(a) CLARIFICATION OF AUTHORITY REGARDING REMAINING FEDERAL INTERMEDIATE CREDIT BANK.—Section 410 of the Agricultural Credit Act of 1987 (12 U.S.C. 2011 note) is amended by adding at the end the following new subsection:

“(e) CLARIFICATION OF AUTHORITY REGARDING REMAINING FEDERAL INTERMEDIATE CREDIT BANK.—

“(1) BORROWER VOTE.—Notwithstanding any other provision of law, within 30 days after the date of the enactment of this subsection, the Farm Credit Administration shall conduct and compile the results of a referendum of the farmer-borrowers of the production credit associations that are stockholders in the Federal Intermediate Credit Bank of Jackson to determine whether the merger required under this subsection shall be completed in accordance with the provisions of paragraph (2) or paragraph (3) of this subsection. The Farm Credit Administration shall make available to such farmer-borrowers such information as it determines is appropriate under the circumstances to reasonably inform the farmer-borrowers of the anticipated benefits and potential disadvantages of each of the two merger completion options. Each such farmer-borrower shall be entitled to one vote. The Farm Credit Administration shall establish record dates and other procedures for conducting the referendum. The Federal Intermediate Credit Bank of Jackson and the production credit associations shall cooperate in the conduct of the referendum, as determined

necessary by the Farm Credit Administration.

“(2) ARBITRATED MERGER.—

“(A) APPROVAL BY BORROWERS.—If at least fifty percent of the farmer-borrowers voting in the referendum under paragraph (1) vote to complete the merger required under this subsection under the provisions of this paragraph, then a merger of the Federal Intermediate Credit Bank of Jackson into the Farm Credit Bank of Texas shall be completed in accordance with the provisions of this paragraph not later than 1 year after the date of the enactment of this subsection.

“(B) ARBITRATOR.—

“(i) IN GENERAL.—If at least fifty percent of the farmer-borrowers voting in the referendum under paragraph (1) vote to complete the merger required under this subsection under the provisions of this paragraph, then, not later than 60 days after the date of the enactment of this subsection, an arbitrator (or panel of arbitrators) shall be named by the American Arbitration Association in accordance with the Commercial Arbitration Rules of the American Arbitration Association to serve as the arbitrator referred to in this paragraph.

“(ii) DUTIES.—The arbitrator shall determine the terms and conditions of the merger required under this paragraph, such that the terms and conditions are fair and equitable to the two banks, their affiliated associations, the stockholders and borrowers of such associations, and the other institutions of the Farm Credit System, and are designed to protect or enhance the safety and soundness of the Farm Credit System. The arbitrator shall have the authority to hire staff and secure the services of consultants as necessary to discharge the duties of the arbitrator under this paragraph.

“(iii) EXPENSES.—Notwithstanding any other provision of law, the compensation and expenses of the arbitrator, the fees and expenses of the American Arbitration Association, and any expenses associated with the referendum required under subparagraph (C) shall be paid from the Farm Credit Assistance Fund established under section 6.25.

“(C) REFERENDUM ON ASSOCIATION STRUCTURE.—

“(i) IN GENERAL.—Within 120 days after the date of the enactment of this subsection, the American Arbitration Association shall conduct, and compile the results of, a vote of current farmer-borrowers of the production credit associations and the Federal land bank associations in the States of Alabama, Louisiana, and Mississippi in accordance with the Election Rules of the American Arbitration Association to determine whether the farmer-borrowers of each association prefer to have credit delivered—

“(I) in the case of production credit association farmer-borrowers, through a production credit association or through an agricultural credit association; and

“(II) in the case of Federal land bank association farmer-borrowers, through a Federal land bank association or through an agricultural credit association.

Each farmer-borrower shall be entitled to one vote. The arbitrator shall establish record dates and other procedures for conducting the referendum. The Federal Intermediate Credit Bank of Jackson and the production credit associations shall cooperate in the conduct of the referendum, as determined necessary by the Arbitrator.

“(ii) DISCLOSURE.—The arbitrator shall send to farmer-borrowers eligible to vote under this subparagraph, with their ballot, a statement describing the potential consequences to the farmer-borrowers, and to the associations from which they borrow, of the two alternatives presented in the ballots and setting forth factors that farmer-borrowers might consider relevant to the choice be-

tween the two alternatives. The arbitrator shall develop such disclosure materials in cooperation with the Farm Credit Administration and ensure that the materials are not inconsistent with applicable laws and regulations.

“(iii) TABULATION OF RESULTS.—The results of the vote under this subparagraph shall be compiled separately for production credit association farmer-borrowers and Federal land bank association farmer-borrowers in each of the following seven geographic areas:

“(I) The area served by the Federal Land Bank Association of South Mississippi.

“(II) The area served by the Federal Land Bank Association of North Mississippi.

“(III) The area served by the Federal Land Bank Association of South Alabama.

“(IV) The area served by the Federal Land Bank Association of North Alabama.

“(V) The area served by the Federal Land Bank Association of South Louisiana.

“(VI) The area served by both the Federal Land Bank Association of North Louisiana and the First South Production Credit Association.

“(VII) The area served by both the Federal Land Bank Association of North Louisiana and the Northwest Louisiana Production Credit Association.

“(iv) PUBLICATION OF RESULTS.—The results of the vote under this subparagraph, as tabulated by the American Arbitration Association, shall be made promptly available to the public in a manner determined appropriate by the Farm Credit Administration.

“(D) DEVELOPMENT OF MERGER PLANS.—

“(i) IN GENERAL.—Within 210 days after the date of the enactment of this subsection, the arbitrator shall develop a plan specifying the terms and conditions of the merger of the two banks (and any related association mergers) required under this paragraph, such that the terms and conditions are fair and equitable to the two banks, their affiliated associations, the stockholders or farmer-borrowers of such associations, and the other institutions of the Farm Credit System, and are designed to protect or enhance the safety and soundness of the Farm Credit System. In devising the plan the arbitrator shall, to the extent practicable, achieve the following objectives:

“(I) Implementation of the preference expressed by the majority vote of the farmer-borrowers voting under subparagraph (C) in accordance with subparagraph (D)(iv), and expressed by the affected and interested parties under clause (ii).

“(II) Valuation of assets fairly, equitably, and consistently for all parties involved.

“(III) Establishment of capitalization and funding terms in a manner that treats farmer-borrowers and stockholders in the two involved farm credit districts equitably and takes account of risk.

“(IV) Ensure the viability of the resulting Farm Credit Bank and associations of such bank and the ability of the resulting bank and associations of such bank to lend to eligible borrowers at reasonable and competitive rates of interest.

“(ii) SUBMISSION OF VIEWS AND INFORMATION.—The arbitrator shall receive from affected and interested parties written submissions, in accordance with fair and reasonable procedures established by the arbitrator, regarding the terms and conditions of an appropriate plan for the merger of the two banks (and any related association mergers) required under this paragraph. The Federal Intermediate Credit Bank of Jackson, the Farm Credit Bank of Texas, and their affiliated associations in the states of Alabama, Louisiana, and Mississippi, shall make available all books, records, financial information, and other material that the arbitrator determines is directly necessary to the development of the plan or the fulfillment of

any other requirement under this paragraph. A copy of any submission or information provided to the arbitrator by any party under this paragraph shall be furnished to the Federal Intermediate Credit Bank of Jackson or the Farm Credit Bank of Texas upon the written request of such bank and at such bank's expense. The arbitrator shall provide both banks with a reasonable opportunity to review and respond to any submission or information provided by any party.

“(iii) CONTENT OF PLAN.—In accordance with the standards in clause (i) and giving due consideration to the views and information submitted or made available under clause (ii), the arbitrator shall develop and submit to the Farm Credit Administration for certification a merger plan that shall include provisions regarding the following matters:

“(I) The initial composition, following the merger, of the board of directors of the resulting Farm Credit Bank (which shall be subject to change thereafter in accordance with the provisions of the Farm Credit Act of 1971 and any applicable regulations).

“(II) The initial association structure following the merger, as required under clause (iv), in the States of Alabama, Louisiana, and Mississippi (which shall be subject to change thereafter in accordance with the provisions of the Farm Credit Act of 1971 and any applicable regulations).

“(III) The initial composition, following the merger, of the board of directors of any association whose chartered territory or lending authority is altered under the plan (which shall be subject to change thereafter in accordance with the provisions of the Farm Credit Act of 1971 and any applicable regulations).

“(IV) The valuation, for purposes of the merger, of the assets and liabilities of the merging banks and any merging associations. The arbitrator shall consult with the Farm Credit System Insurance Corporation regarding the valuation of such assets and liabilities in accordance with clause (v).

“(V) The terms and conditions upon which the shares of capital stock of the Federal Intermediate Credit Bank of Jackson, and of any associations that may merge under the plan, will be converted into shares of the Farm Credit Bank of Texas, and shares of the resulting associations, respectively.

“(VI) The capital structure and capitalization levels of the resulting Farm Credit Bank, the associations described in subclause (III), and such other associations in the States of Alabama, Louisiana, and Mississippi as the arbitrator determines necessary to carry out the purposes of this paragraph (which shall be subject to change thereafter in accordance with the provisions of the Farm Credit Act of 1971 and any applicable regulations).

“(VII) The terms of financing agreements between any production credit associations or associations described in subclause (III), and the resulting Farm Credit Bank (which shall be subject to change thereafter in accordance with the provisions of the Farm Credit Act of 1971 and any applicable regulations).

“(VIII) Any other terms and conditions or other matters that the arbitrator considers necessary.

“(iv) CONTENT OF PLAN; AGRICULTURAL CREDIT ASSOCIATIONS.—The plan shall—

“(I) in any of the geographic areas described in subparagraph (C)(iii) where a majority of the farmer-borrowers of both the production credit association and the Federal land bank association voted under subparagraph (C)(i) that they preferred to have credit delivered through an agricultural credit association, provide for the delivery of credit through an agricultural credit association in such territory; and

"(II) in any of the geographic areas described in subparagraph (C)(iii) where a majority of the farmer-borrowers of the production credit association or the Federal land bank association voted that they preferred to have credit delivered through a production credit association or a Federal land bank association, as appropriate, not provide for the delivery of credit through an agricultural credit association, or otherwise alter the existing association structure.

"(v) CONSULTATION WITH INSURANCE CORPORATION.—The arbitrator shall consult with the Farm Credit System Insurance Corporation regarding the valuation of the assets and liabilities under the plan of merger, the capitalization of the Farm Credit System institutions resulting under the plan, and any other matters relevant to the assistance to be provided by the Insurance Corporation under subparagraph (H).

"(E) CERTIFICATION OF PLAN.—Within 45 days after the receipt of the plan developed by the arbitrator, the Farm Credit Administration shall—

"(i) certify; or

"(ii) recommend to the arbitrator revisions to the plan that, if incorporated into the plan, will allow the Farm Credit Administration to certify, that the resulting bank and associations are organized in such a fashion such that they will, upon implementation of the plan, operate in compliance with applicable laws and regulations. The arbitrator and the Farm Credit Administration shall work cooperatively to ensure the expeditious issuance of the certification. If the Farm Credit Administration recommends to the arbitrator revisions to the plan that, if incorporated into the plan, will allow the Farm Credit Administration to certify the plan, the arbitrator shall, within 15 days of receipt of such recommended revisions, incorporate such revisions into the plan as the arbitrator deems appropriate to secure such certification.

"(F) REVIEW.—Actions and determinations of the arbitrator or the Farm Credit Administration pursuant to this paragraph shall not be subject to judicial review, and the actions and determinations of the arbitrator shall not be subject to the requirements of the Administrative Procedures Act.

"(G) IMPLEMENTATION.—Within 90 days after the date of the receipt of the plan under subparagraph (E), the Farm Credit Administration shall issue such charters or charter amendments and take any such other regulatory actions as may be necessary to implement the merger or mergers as provided for under the certified plan.

"(H) Facilitation.—

"(i) Beginning on the date of the enactment of this subsection, the Farm Credit System Insurance Corporation shall expend amounts in the Farm Credit Insurance Fund to the extent necessary to facilitate the merger prescribed in the plan. Assistance shall be on such terms and conditions as the Farm Credit System Insurance Corporation deems appropriate.

"(ii) Until the expiration of five years from the effective date of a merger authorized by this subsection, or the final resolution of any litigation against the Federal Intermediate Credit Bank of Jackson or any of its stockholders pending on the date of the enactment of this subsection, whichever is later, the Insurance Corporation shall guarantee prompt payment of any loss experienced by the merged bank, which loss is caused by the failure of any association-stockholder of the merged bank that was a stockholder of the Federal Intermediate Credit Bank of Jackson immediately prior to such merger, or any successor to such association, to pay when due any obligation of principal or in-

terest owed by such association or its successor to the resulting bank.

"(I) DEFINITIONS.—As used in this paragraph—

"(i) the term 'agricultural credit association' means an association having the same authorities, attributes and obligations as, and for all purposes an agricultural credit association resulting from the implementation of the plan under this paragraph shall be deemed to be, an association resulting from the merger of a production credit association and a Federal land bank association under section 7.8; and

"(ii) the term 'farmer-borrower' means a borrower from a Farm Credit System association or bank in the states of Alabama, Louisiana, or Mississippi who is an individual and who holds voting stock, or is eligible to hold voting stock, in such institution.

"(3) NEGOTIATED OR REGULATORY MERGER.—

"(A) APPROVAL BY BORROWERS.—If a majority of the farmer-borrowers voting in the referendum under paragraph (I) vote to complete the merger required under this subsection under the provisions of this paragraph, then a merger of the Federal Intermediate Credit Bank of Jackson shall be completed in accordance with the provisions of this paragraph not later than 1 year after the date of the enactment of this subsection.

"(B) MERGER AUTHORITY.—

"(i) EFFECTIVE DATES.—If a majority of the farmer-borrowers voting in the referendum under paragraph (I) vote to complete the merger required under this subsection in accordance with the provisions of this paragraph, then the provisions of clause (ii) shall take effect as if such clause had become law at the time the amendment referred to in such clause (ii) took effect, and shall remain in effect until 1 year after the date of enactment of this subsection.

"(ii) AUTHORITY.—Effective only as provided in clause (i), the Federal Intermediate Credit Bank of Jackson may operate subject to such provisions of part A of title II of the Farm Credit Act of 1971 (as in effect immediately before the amendment made by section 401 of the Agricultural Credit Act of 1987 took effect) and such provisions of the Farm Credit Act of 1971 (as in effect after the amendment), as the Farm Credit Administration may deem appropriate to carry out the purposes of this subsection and such Act.

"(C) REQUIREMENT.—Within 11 months after the date of enactment of this subsection, the Federal Intermediate Credit Bank of Jackson shall merge with a Farm Credit Bank pursuant to the procedures prescribed by section 7.12 of the Farm Credit Act of 1971.

"(D) EFFECT OF FAILURE TO MERGE.—If the Federal Intermediate Credit Bank of Jackson fails to comply with subparagraph (C), the Farm Credit Administration shall, within 30 days after the end of the 11 month period described in subparagraph (C), order the Federal Intermediate Credit Bank of Jackson to merge with a Farm Credit Bank which is willing to merge with the Federal Intermediate Credit Bank of Jackson pursuant to a plan of merger prescribed by the Farm Credit Administration, after consultation with the Farm Credit System Insurance Corporation with respect to the assistance to be provided by the Insurance Corporation under subparagraph (F). The order provided for in this paragraph shall specify the effective date of the merger, which shall be in the sole discretion of the Farm Credit Administration.

"(E) REVIEW.—Actions and determinations of the Farm Credit Administration pursuant to subparagraph (D) shall not be subject to judicial review.

"(F) FACILITATION.—

"(i) If a merger under this paragraph is ordered pursuant to subparagraph (D), then be-

ginning on the date of such order the Farm Credit System Insurance Corporation shall expend amounts in the Farm Credit Insurance Fund to the extent necessary to facilitate the merger prescribed in the order.

"(ii) Until the expiration of five years from the effective date of the order under subparagraph (D), or the final resolution of any litigation against the Federal Intermediate Credit Bank of Jackson or any of its stockholders pending on the date of the enactment of this subsection, whichever is later, the Insurance Corporation shall guarantee prompt payment of any loss experienced by the merged bank, which loss is caused by the failure of any association-stockholder of the merged bank that was a stockholder of the Federal Intermediate Credit Bank of Jackson immediately prior to such merger, or any successor to such association, to pay when due any obligation of principal or interest owed by such association or its successor to the resulting bank."

(b) LONG-TERM LENDING AUTHORITY OF THE FARM CREDIT BANK OF TEXAS WITH RESPECT TO THE STATES OF ALABAMA, LOUISIANA, AND MISSISSIPPI.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Farm Credit Bank of Texas may act in accordance with the exclusive charter of the bank, as amended by the Farm Credit Administration on February 7, 1989, and effective February 9, 1989 (except to the extent that such charter may be further amended by the Farm Credit Administration).

(2) EFFECTIVE DATE.—Paragraph (1) shall take effect as if such paragraph had become law on February 7, 1989.

(c) DENIAL OF COMPETITIVE CHARTERS.—Section 5.17(a)(2) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(2)) is amended by adding at the end the following: "The Farm Credit Administration shall not issue a charter to, or approve an amendment to the charter of, any institution of the Farm Credit System to operate in the states of Alabama, Louisiana, or Mississippi under title I or II which would authorize the institution to exercise lending authority, whether directly or indirectly as an agent of a Farm Credit Bank, in a territory in which the charter of another such institution authorizes such other institution to exercise like authority, whether directly or indirectly as an agent of a Farm Credit Bank, except with the approval of—

(A) in a case affecting only the charter of an association—

(i) a majority of the shareholders (present and voting or voting by proxy) of each of the associations that would have like lending authority (whether directly or indirectly as an agent of a Farm Credit Bank) in any of that territory if such charter action were taken; and

(ii) the board of directors of the Farm Credit Bank with which the affected associations are affiliated; or

(B) in a case affecting the charter of a bank—

(i) a majority of the shareholders (present and voting or voting by proxy) of the affiliated associations of each of the banks that would have like lending authority in any of that territory if such charter action were taken; and

(ii) a majority of the shareholders (present and voting or voting by proxy) of each of the banks that would have like lending authority in any of that territory if such charter were taken."

Subtitle E—Disclosure Requirements

SEC. 1501. FINANCIAL DISCLOSURE AND CONFLICT OF INTEREST REPORTING BY DIRECTORS, OFFICERS, AND EMPLOYEES OF FARM CREDIT SYSTEM INSTITUTIONS.

(a) FINDINGS.—The Congress finds that—

(1) the disclosure of the compensation paid to, loans made to, and transactions made with a Farm Credit System institution by, directors and senior officers of such institution provides the stockholders of such institutions with information necessary to better manage such institutions, provides the Farm Credit Administration with information necessary to efficiently and effectively regulate such institutions, and enhances the financial integrity of the Farm Credit System by making such information available to potential investors;

(2) the reporting of potential conflicts of interest by directors, officers, and employees of institutions of the Farm Credit System benefits the stockholders of such institutions, helps to ensure the financial viability of such institutions, provides information valuable to the Farm Credit Administration in periodic examinations of such institutions, and therefore enhances the safety and soundness of the Farm Credit System; and

(3) the directors, officers, or employees of some Farm Credit System institutions may not be subject to the regulations of the Farm Credit Administration requiring the disclosure of such financial information and the reporting of such potential conflicts of interest.

(b) PURPOSE.—It is the purpose of this section to ensure that the information reported by the directors, officers, and employees of Farm Credit System institutions under regulations of the Farm Credit Administration requiring the disclosure of financial information and the reporting of potential conflicts of interest—

(1) provides the stockholders of all Farm Credit System institutions with information to assist such stockholders in making informed decisions regarding the operation of such institutions,

(2) provides investors and potential investors with information necessary to assist them in making investment decisions regarding Farm Credit System obligations or institutions; and

(3) provides the Farm Credit Administration with information necessary to allow the Farm Credit Administration to effectively and efficiently examine and regulate all Farm Credit System institutions and thus enhance the safety and soundness of the Farm Credit System.

(c) REVIEW.—Not later than 120 days after the date of enactment of this section, the Farm Credit Administration shall complete a review of the current regulations of the Farm Credit Administration regarding the disclosure of financial information and the reporting of potential conflicts of interest by the directors, officers, and employees of Farm Credit System institutions. Consistent with the purpose of this section as provided in subsection (b), such review shall address whether the regulations—

(1) are adequate to fulfill the purpose of this section and such other purposes as the Farm Credit Administration determines to be consistent with the Farm Credit Act of 1971, and other applicable law, and to be otherwise necessary or appropriate;

(2) currently require the disclosure of financial information and the reporting of potential conflicts of interest by the directors, officers, and employees of all Farm Credit System institutions; and

(3) currently require the disclosure or reporting of such information by all of the appropriate directors, officers, or employees of Farm Credit System institutions.

(d) IMPLEMENTATION.—Not later than 360 days after the date of enactment of this section, the Farm Credit Administration shall amend its current financial disclosure and conflict of interest regulations as it determines necessary to carry out the purpose of this section and to address any deficiencies

in such regulations that the Farm Credit Administration determines necessary pursuant to the review conducted under subsection (c).

TITLE II—AGRICULTURAL CREDIT IMPROVEMENT ACT OF 1992

SEC. 2001. SHORT TITLE.

This title may be cited as the “Agricultural Credit Improvement Act of 1992”.

Subtitle A—Amendments to the Consolidated Farm and Rural Development Act

SEC. 2101. BEGINNING FARMER AND RANCHER PROGRAM.

(a) OPERATING LOANS; GUARANTEES OF OPERATING LOANS.—Subtitle B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941-1947) is amended by adding at the end the following:

“SEC. 318. ASSISTANCE TO BEGINNING FARMERS AND RANCHERS.

“(a) IN GENERAL.—The Secretary shall provide assistance in accordance with this section to enable individuals to conduct viable farming or ranching operations. For purposes of this section, the term ‘individual’ means a natural person or an entity (other than a corporation) (1) all of whose owners or members are related by blood or marriage, and (2) none of whose owners or members has operated a farm or ranch for more than 5 years.

“(b) SUBMISSION OF PLAN OF FARM OPERATION.—An individual may seek assistance under this section for a proposed or ongoing farming or ranching operation by submitting to the county committee of the county in which the operation is (or is to be) located, not later than 60 days before such assistance is to be first provided, a plan which—

“(1) describes, for each of the first 5 years for which assistance under this section is sought for the operation—

“(A) how the operation is to be conducted;

“(B) the types and amounts of commodities to be produced by the operation;

“(C) the production methods and practices to be employed by the operation;

“(D) the conservation measures to be taken in the operation;

“(E) the equipment needed to conduct the operation (including any expected replacements therefor) and, with respect to each item of needed equipment, whether the individual owns, leases, or otherwise has access to the item, or proposes to purchase, lease, or otherwise gain access to the item;

“(F) the expected income and expenses of the operation;

“(G) the expected credit needs of the operation, including the types and amounts of assistance to be sought under this section; and

“(H) the site or sites at which the operation is (or is to be) located; and

“(2) projects the financial status of the operation after assistance under this section has been provided for such period, not exceeding 10 years, as is necessary for the operation to become financially viable without further assistance from the Secretary.

“(c) DETERMINATIONS BY THE COUNTY COMMITTEE; APPROVAL OF PLAN.—The county committee shall approve a plan submitted by an individual in accordance with subsection (b) if the county committee determines that—

“(1) the individual has not operated a farm or ranch, or has operated a farm or ranch for not more than 5 years;

“(2) during the 5-year period ending with the submission of the plan, the individual has had sufficient education and experience to indicate that the individual is able to conduct a successful farming or ranching operation, as the case may be;

“(3) the individual owns, leases, or has a commitment to have leased to the individual the site or sites of the operation;

“(4) there is, or will be, available to the individual equipment sufficient to conduct the operation in accordance with the plan;

“(5) the individual agrees to participate in such loan assessment, borrower training, and financial management programs as the Secretary may require; and

“(6) the individual, or in the case of an entity, each owner or member of the entity meets the requirements of paragraphs (1) and (3) of section 311(a).

“(d) DETERMINATION BY THE SECRETARY; APPROVAL OF APPLICATION FOR ASSISTANCE.—The Secretary shall approve an application for assistance under this section for an operation described in a plan approved by a county committee under subsection (c) if the Secretary determines that—

“(1) the operation (taking into account the types of agricultural commodities produced, and the average size of similar operations, in the area in which the operation is, or is to be, located) would generate income sufficient to cover the expenses of the operation, debt service, and adequate family living expenses of the individual, to the extent that other income would not cover such living expenses, if the operation received assistance under this section as provided for in the plan; and

“(2) not later than 10 years after first receiving assistance under this section, the operation will be financially viable without further assistance from the Secretary.

“(e) PROVISION OF ASSISTANCE.—

“(1) DETERMINATION OF COMMITMENT PERIOD.—

“(A) INITIAL DETERMINATION.—Upon approval of an application under subsection (d), the Secretary shall, subject to subparagraph (C) of this paragraph, determine the period during which assistance under this section is to be provided for the operation described in the application (in this subsection referred to as the ‘commitment period’).

“(B) AUTHORITY TO EXTEND PERIOD; NO AUTHORITY TO REDUCE PERIOD.—At any time, the Secretary may, subject to subparagraph (C) of this paragraph and subsections (f) and (g), extend the duration of the commitment period. The Secretary may not reduce the duration of the commitment period.

“(C) LIMITATION.—The duration of any commitment period (including any extensions thereof) shall not exceed 10 years.

“(2) OPERATING LOANS; LOAN GUARANTEES.—

“(A) IN GENERAL.—To the extent that an applicant whose application is approved under subsection (d) is unable to obtain sufficient credit from commercial or cooperative lenders to finance the operation described in the application at reasonable rates and terms (taking into consideration prevailing private and cooperative rates, and terms in the community in which the operation is, or is to be, located, for loans for similar purposes and periods of time), the Secretary shall, subject to the availability of funds therefor and subject to subsections (f) and (g), make a commitment to the applicant—

“(i) for each of the 1st, 2nd, 3rd, and 4th years of the commitment period—

“(I) to make a loan under this subtitle to the applicant at the interest rate charged to low income, limited resource borrowers under this subtitle, in the amount specified in the plan contained in the application; or

“(II) to provide to any commercial or cooperative lender who makes a loan to the applicant that is within the credit needs of the operation (as specified in the plan contained in the application)—

“(aa) a guarantee under section 309(h) for the repayment of 90 percent of the loan principal and interest; and

“(bb) if the Secretary determines that, despite the provision of the guarantee referred to in item (aa), the applicant will not qualify for such a loan, an interest subsidy payment sufficient to ensure that the effective rate of

interest payable by the applicant on the loan equals the rate of interest charged to low income, limited resource borrowers on insured operating loans under this subtitle of comparable size and maturity;

“(ii) for each of the 5th, 6th, 7th, and 8th years of the commitment period—

“(I) to provide to any commercial or cooperative lender who makes a loan to the applicant that is within the credit needs of the operation (as specified in the plan contained in the application) a guarantee under section 309(h) for the repayment of 90 percent of the loan principal and interest; and

“(II) if the Secretary determines that, despite the provision of the guarantee referred to in subclause (I), the applicant will not qualify for such a loan, then—

“(aa) to offer the lender an interest subsidy payment in the amount necessary to ensure that the applicant qualifies for such a loan but not more than the amount necessary to ensure that the effective rate of interest on the loan equals the rate of interest charged to low income, limited resource borrowers on insured operating loans under this subtitle of comparable size and maturity; or

“(bb) if funds are not available for the interest subsidy payment described in item (aa), to provide to the applicant a loan under this subtitle that is comparable to one for which a person not receiving assistance under this section (but otherwise in the same situation as the applicant) would be eligible; and

“(iii) for each of the 9th and 10th years of the commitment period, to provide to any commercial or cooperative lender who makes a loan to the applicant that is within the credit needs of the operation (as specified in the plan contained in the application) a guarantee under section 309(h) for the repayment of not more than 90 percent of the loan principal and interest.

“(B) SPECIAL RULE.—In the case of an application approved under subsection (d) with respect to which the commitment period is less than 10 years, the Secretary shall make the commitments described in subparagraph (A) for such portions of the commitment period as the Secretary deems appropriate.

“(3) LOANS OR GUARANTEES FOR NEW OR IMPROVED EQUIPMENT.—The Secretary shall make a commitment to any applicant whose application is approved under subsection (d) of this section to provide the applicant with loans under this subtitle or loan guarantees under section 309(h) to finance the acquisition, improvement, or repair of equipment needed in the operation described in the application if the plan contained in the application provides for the commitment, to the extent that the applicant is unable to obtain sufficient credit from commercial or cooperative lenders for such purposes at reasonable rates and terms (taking into consideration prevailing private and cooperative rates, and terms in the community in which the operation is, or is to be, located, for loans for similar purposes and periods of time).

“(4) PRIORITY IN PURCHASE OF INVENTORY EQUIPMENT; LOANS OR GUARANTEES FOR SUCH PURCHASES IN CERTAIN CASES.—During the commitment period, the Secretary shall—

“(A) accord the applicant whose application is approved under subsection (d) priority in the purchase of equipment in the inventory of the Farmers Home Administration necessary for the success of the operation described in the application; and

“(B) provide the applicant with loans under this subtitle or loan guarantees under section 309(h) to finance such purchases if the plan contained in the application provides for such assistance, to the extent that the applicant is unable to obtain sufficient credit from commercial or cooperative lenders for such purpose at reasonable rates and terms (taking into consideration prevailing

private and cooperative rates, and terms in the community in which the operation is, or is to be, located, for loans for similar purposes and periods of time).

“(5) OTHER KINDS OF ASSISTANCE.—During the commitment period, the Farmers Home Administration, the Agricultural Extension Service, the Soil Conservation Service, and the other entities of the Department of Agriculture shall provide the applicant with such other assistance and information as may be needed in developing and implementing the operation described in the application.

“(6) NO LOAN GUARANTEE FEES.—The Secretary may not charge a fee to any lender in connection with any loan guarantee provided in accordance with this subsection.

“(f) ANNUAL PLAN REVISIONS REQUIRED AS CONDITION OF CONTINUED ASSISTANCE.—The Secretary shall not provide assistance under this section for an operation for any particular year after the first year for which such assistance is provided, unless—

“(1) not later than 60 days before such assistance is to be first provided for the particular year, the applicant has revised the plan describing the operation, based on the experience of the year preceding the particular year, to provide the information required by subsection (b) for the 5-year period beginning with the particular year (or, if shorter, the period beginning with the particular year and ending with the year in which the plan projects the operation as becoming financially viable); and

“(2) the county committee has approved the revised plan.

“(g) EFFECTS OF AVOIDABLE FAILURE TO ACHIEVE GOALS.—

“(1) TERMINATION OF COMMITMENTS.—The Secretary shall revoke any commitment for assistance made to an applicant under this section if the applicant's operation fails, for 2 consecutive years, to meet the goals specified in the plan, unless the failure is due to circumstances beyond the control of the applicant and has not materially reduced the likelihood of the operation becoming financially viable.

“(2) SUSPENSION OF ELIGIBILITY FOR ASSISTANCE.—During the 3-year period that begins with the date the commitments made to an applicant are revoked under paragraph (1), the applicant shall not be eligible for assistance under this section.”

(b) DOWN PAYMENT LOAN PROGRAM.—Subtitle A of such Act (7 U.S.C. 1922-1934) is amended by adding at the end the following: “SEC. 310E. DOWN PAYMENT LOAN PROGRAM.

“(a) IN GENERAL.—Notwithstanding any other section of this subtitle, the Secretary shall establish within the farm ownership loan program under this subtitle a program under which loans are made under this section to eligible beginning farmers and ranchers for down payments on farm ownership loans.

“(b) LOAN TERMS.—

“(1) PRINCIPAL.—Each loan made under this section shall be of an amount equal to 30 percent of the price of the farm or ranch to be acquired, unless the borrower requests a lesser amount.

“(2) INTEREST RATE.—The interest rate on any loan made under this section shall not exceed the minimum interest rate at which loans are made under subtitle C.

“(3) DURATION.—Each loan under this section shall be made for a period of 10 years, or less, at the option of the borrower.

“(4) REPAYMENT.—Each borrower of a loan under this section shall repay the loan to the Secretary in equal annual installments.

“(5) NATURE OF RETAINED SECURITY INTEREST.—The Secretary shall retain an interest in each farm or ranch acquired with a loan made under this section, which shall—

“(A) be secured by the farm or ranch;

“(B) be junior only to such interests in the farm or ranch as may be conveyed at the time of acquisition to the person from whom the borrower obtained a loan used to acquire the farm or ranch; and

“(C) require the borrower to obtain the permission of the Secretary before the borrower may grant an additional security interest in the farm or ranch.

“(c) LIMITATIONS.—

“(1) BORROWERS REQUIRED TO MAKE MINIMUM DOWN PAYMENT.—The Secretary shall not make a loan under this section to any borrower with respect to a farm or ranch if the contribution of the borrower to the down payment on the farm or ranch will be less than 10 percent of the price of the farm or ranch.

“(2) MAXIMUM PRICE OF PROPERTY TO BE ACQUIRED.—The Secretary shall not make a loan under this section with respect to a farm or ranch the price of which exceeds \$250,000.

“(3) PROHIBITED TYPES OF FINANCING.—The Secretary shall not make a loan under this section with respect to a farm or ranch if the farm or ranch is to be acquired with other financing which contains any of the following conditions:

“(A) the financing, other than that provided by the Secretary under this section, is to be amortized over a period of less than 30 years.

“(B) A balloon payment will be due on the financing during the 10-year period beginning on the date the loan is to be made by the Secretary.

“(d) ADMINISTRATION.—The Secretary shall, to the maximum extent practicable—

“(1) facilitate the transfer of farms and ranches from retiring farmers and ranchers to persons eligible for insured loans under this subtitle;

“(2) make efforts to widely publicize the availability of loans under this section among—

“(A) potentially eligible recipients of such loans;

“(B) retiring farmers and ranchers; and

“(C) applicants for farm ownership loans under this subtitle;

“(3) encourage retiring farmers and ranchers to assist in the sale of their farms and ranches to eligible beginning farmers or ranchers by providing seller financing; and

“(4) coordinate the loan program established by this section with State programs that provide farm ownership or operating loans for beginning farmers.

“(e) ELIGIBLE BEGINNING FARMER OR RANCHER DEFINED.—As used in this section, the term ‘eligible beginning farmer or rancher’ means an individual—

“(1) who is eligible for assistance under this subtitle;

“(2) who has operated a farm or ranch for not less than 5 nor more than 10 years;

“(3)(A) in the case of an owner or operator of a farm or ranch, who, individually or with the immediate family of the owner or operator—

“(i) materially and substantially participates in the farm or ranch; and

“(ii) provides substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the State or county in which the farm or ranch is located; and

“(B) in the case of an individual seeking to own or operate a farm or ranch, who, individually or with the immediate family of the individual, will—

“(i) materially and substantially participate in the farm or ranch; and

“(ii) provide substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the State or county in which the farm or ranch is located;

"(4) who agrees to participate in such loan assessment, borrower training, and financial management programs as the Secretary may require;

"(5) who—

"(A) does not own land; or

"(B) directly or through interests in family farm corporations, owns land the aggregate acreage of which does not exceed 15 percent of the median acreage of the farms or ranches, as the case may be, in the county in which the individual is to obtain land is located, as reported in the most recent census of agriculture taken under section 142 of title 13, United States Code;

"(6) who demonstrates that the available resources of the individual and the spouse (if any) of the individual are not sufficient to enable the individual to continue farming or ranching on a viable scale; and

"(7) in the case of an individual whose application for assistance under section 318 has been approved by the Secretary, the individual meets the requirements of section 310F(b)(1)."

(C) AVAILABILITY OF FARM OWNERSHIP LOANS AND LOAN GUARANTEES FOR CERTAIN BEGINNING FARMERS AND RANCHERS.—Sub-
title A of such Act (7 U.S.C. 1922-1934) is amended by adding after the section added by subsection (b) of this section the following:

"SEC. 310F. AVAILABILITY OF FARM OWNERSHIP LOANS AND LOAN GUARANTEES FOR CERTAIN BEGINNING FARMERS AND RANCHERS.

"(a) ASSISTANCE PROHIBITED FOR A LIMITED PERIOD.—Except as otherwise provided in this section, if the Secretary approves the application of an individual for assistance under section 318, the Secretary may not make a loan under this subtitle to the individual or provide a guarantee under section 309(h) with respect to any farm real estate loan made to the individual.

"(b) AVAILABILITY OF DOWN PAYMENT LOANS.—After the applicable period, the Secretary may make an insured loan under this subtitle, or a down payment loan under section 310E, to an individual referred to in subsection (a) of this section if—

"(1) throughout the applicable period, the individual conducted an operation for which assistance is provided under section 318 in accordance with the plan contained in the application for such assistance;

"(2) the plan provides for such a loan; and

"(3) the individual is otherwise eligible for the loan.

"(c) AVAILABILITY OF LOAN GUARANTEES.—After the applicable period, the Secretary may guarantee under section 309(h) the repayment of a commercial or cooperative loan made to an individual referred to in subsection (a) of this section if—

"(1) throughout the applicable period, the individual conducted the operation for which assistance is provided under section 318 in accordance with the plan contained in the application for such assistance;

"(2) the plan provides for such a loan guarantee; and

"(3) the individual is otherwise eligible for the loan guarantee.

"(d) APPLICABLE PERIOD DEFINED.—As used in this section, the term 'applicable period' means—

"(1) in the case of an individual who, at the time the application referred to in this section was approved, had not operated a farm for more than 3 years, the first 5 years for which the individual is provided assistance under section 318; or

"(2) in any other case, the first 3 years for which the individual is provided assistance under section 318."

(d) TARGETING OF FUNDS.—

(1) FARM OPERATING LOANS FOR BEGINNING FARMERS AND RANCHERS.—Section 346(b) of

such Act (7 U.S.C. 1994(b)) is amended by adding at the end the following:

"(5) In expending the following percentages of the funds available for insured operating loans under subtitle B for any fiscal year beginning after September 30, 1993, the Secretary shall, to the maximum extent practicable, give priority to making such loans under section 318:

"(A) Not less than 20 percent, for the first 6 months of fiscal year 1994.

"(B) Not less than 30 percent, for the first 6 months of each of fiscal years 1995 and 1996.

"(C) Not less than 40 percent, for the first 6 months of each of fiscal years 1997 and 1998.

"(D) Not less than 50 percent, for first 6 months of each of the succeeding fiscal years."

(2) FARM OWNERSHIP LOANS.—

(A) PERCENTAGE OF INSURED FARM OWNERSHIP LOAN FUNDS RESERVED FOR BEGINNING FARMERS OR RANCHERS.—Section 346(b)(3) of such Act (7 U.S.C. 1994(b)(3)) is amended by adding at the end the following:

"(D)(i) To the extent not inconsistent with an exercise of authority under section 355, not less than the applicable percentage of the amounts available for insured farm ownership loans for any fiscal year shall be for such loans to beginning farmers or ranchers.

"(ii) For purposes of clause (i), the term 'applicable percentage' means—

"(I) 50 percent, for the first 6 months of each of the fiscal years 1994 and 1995; and

"(II) 80 percent, for the first 6 months of each succeeding fiscal year."

(B) FUNDS RESERVED FOR DOWNPAYMENT LOAN PROGRAM.—Section 346(b)(3) of such Act (7 U.S.C. 1994(b)(3)) is amended by adding after the subparagraph added by subparagraph (A) of this paragraph the following:

"(E)(i) To the extent not inconsistent with an exercise of authority under section 355, not less than the applicable percentage of the amounts reserved for beginning farmers or ranchers under subparagraph (D) for any fiscal year shall be for downpayment loans under section 310E.

"(ii) For purposes of clause (i), the term 'applicable percentage' means—

"(I) 50 percent, for the first 6 months of each of the fiscal years 1994 and 1995; and

"(II) 80 percent, for the first 6 months of each succeeding fiscal year."

(C) CERTAIN UNOBLIGATED DOWNPAYMENT LOAN PROGRAM FUNDS AVAILABLE FOR ANY TYPE OF INSURED FARM OWNERSHIP LOANS FOR BEGINNING FARMERS AND RANCHERS.—Section 346(b)(3) of such Act (7 U.S.C. 1994(b)(3)) is amended by adding after the subparagraph added by subparagraph (B) of this paragraph the following:

"(F) To the extent not inconsistent with an exercise of authority under section 355, any funds reserved for downpayment loans under section 310E for a fiscal year by reason of subparagraph (E) of this paragraph that are not obligated by the end of the 2nd quarter of the fiscal year shall be available throughout the remainder of the fiscal year for any type of insured farm ownership loans, with priority to be given to beginning farmers and ranchers."

(3) PORTIONS OF FARM OWNERSHIP LOAN GUARANTEE FUNDS TARGETED TO BEGINNING FARMERS OR RANCHERS.—Section 346(b)(2) of such Act (7 U.S.C. 1994(b)(2)) is amended by adding at the end the following:

"Not less than 25 percent of the amounts appropriated for guarantees of farm ownership loans for each of the fiscal years 1994, 1995, 1996, and 1997 shall be available during the first 6 months of the respective fiscal year for guarantees of farm ownership loans to beginning farmers or ranchers."

(4) INTEREST RATE ASSISTANCE PROGRAM.—Section 346(b)(3) of such Act (7 U.S.C. 1994(b)(3)) is amended by adding after the

subparagraphs added by paragraph (2) of this subsection the following:

"(G) Not less than 40 percent of the amounts available for the interest rate reduction program under section 351 shall be reserved for the first 6 months of each fiscal year for assistance to beginning farmers or ranchers."

SEC. 2102. PROCESSING OF APPLICATIONS FOR FARM OPERATING LOANS.

Section 333A(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(a)(2)) is amended—

(1) by inserting "(A)" after "(2)";

(2) by inserting "(other than under subtitle B)" after "under this title"; and

(3) by adding after and below the end the following new subparagraph:

"(B)(i) Within 10 calendar days after the Secretary receives an application for an operating loan or loan guarantee under subtitle B, the Secretary shall notify the applicant of any information required before a decision may be made on the application. Upon receipt of such an application, the Secretary shall request from other parties such information as may be needed in connection with the application.

"(ii) Within 15 calendar days after the date an agency of the Department of Agriculture receives a request for information made pursuant to clause (i), the agency shall provide the Farmers Home Administration with the requested information.

"(iii) If, within 20 calendar days after the date a request is made pursuant to clause (i) with respect to an application, the Farmers Home Administration has not received the information requested, the Farmers Home Administration county office shall notify the applicant, in writing, as to the outstanding information.

"(iv) A county office shall notify the district office of the Farmers Home Administration of each application for an operating loan or loan guarantee under subtitle B that is pending more than 45 calendar days after receipt by the Secretary, and the reasons therefor.

"(v) A district office that receives a notice provided under clause (iv) with respect to an application shall immediately take steps to ensure that final action is taken on the application within 15 calendar days after the date of the receipt of the notice.

"(vi) The district office shall notify the State office of the Farmers Home Administration of each application for an operating loan or loan guarantee under subtitle B that is pending more than 45 calendar days after receipt by the Secretary, and the reasons therefor.

"(vii) Each month, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, on a State-by-State basis, as to each application for an operating loan or loan guarantee under subtitle B on which final action had not been taken within 60 calendar days after receipt by the Secretary, and the reasons therefor."

SEC. 2103. TIME PERIOD WITHIN WHICH COUNTY COMMITTEE IS REQUIRED TO MEET TO CONSIDER APPLICATIONS FOR FARM OWNERSHIP AND OPERATING LOANS AND GUARANTEES AND BEGINNING FARMER PLANS.

Section 332 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1982) is amended—

(1) in subsection (c), by striking "The committee" and inserting "Subject to subsection (e), the committee"; and

(2) by adding at the end the following:

"(e) The county committee shall meet to consider approval of an application received by the committee for a farm ownership or farm operating loan under this title, a guar-

antee under section 309(h), or a plan of farm operation under section 318, within—

“(1) 5 calendar days after receipt if at the time of the receipt there is at least 1 other such application or plan pending; or

“(2) 15 calendar days after receipt if at the time of the receipt there are no other such applications or plans pending.”.

SEC. 2104. DEBT SERVICE MARGIN REQUIREMENTS; CERTIFIED LENDER PROGRAM.

Section 339 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1989) is amended—

(1) by inserting “(a)” before “The Secretary”; and

(2) by adding at the end the following:

“(b) Notwithstanding subsection (a), in providing farmer program loan guarantees under this title, the Secretary shall consider the income of the borrower adequate if the income is equal to or greater than the income necessary—

“(1) to make principal and interest payments on all debt obligations of the borrower, in a timely manner;

“(2) to cover the necessary family living expenses; and

“(3) to pay all other obligations and expenses of the borrower not financed through debt obligations referred to in paragraph (1), including expenses of replacing capital items (determined after taking into account depreciation of such items).”.

“(c) CERTIFIED LENDER PROGRAM.—

“(1) IN GENERAL.—The Secretary shall establish a program under which the Secretary shall guarantee loans (other than loans with respect to which a guarantee is provided under section 318) for any purpose specified in subtitle B that are made by lending institutions certified by the Secretary.

“(2) CERTIFICATION REQUIREMENTS.—The Secretary shall certify any lending institution that meets such criteria as the Secretary may prescribe in regulations, including the ability of the institution to properly make, service, and liquidate its loans.

“(3) CONDITION OF CERTIFICATION.—As a condition of such certification, the Secretary shall require the institution to undertake to service the loans guaranteed by the Secretary under this subsection using generally accepted banking standards concerning loan servicing employed by prudent commercial or cooperative lenders. The Secretary shall, at least annually, monitor the performance of each certified lender to ensure that the conditions of such certification are being met.

“(4) EFFECT OF CERTIFICATION.—Notwithstanding any other provision of law, the Secretary shall—

“(A) guarantee 80 percent of an approved loan made by a certified lending institution as described in paragraph (1), subject to county committee certification that the borrower meets the eligibility requirements or such other criteria as may be applicable to loans guaranteed by the Secretary under other provisions of this title;

“(B) permit certified lending institutions to make all decisions, with respect to loans to be guaranteed by the Secretary under this subsection, relating to creditworthiness and loan closing, and to accept appropriate certifications, as provided by regulations issued by the Secretary, that the borrower is in compliance with all requirements of law or regulations promulgated by the Secretary; and

“(C) be deemed to have guaranteed 80 percent of a loan made by a certified lending institution as described in paragraph (1), if the Secretary fails to approve or reject the application within 14 calendar days after the date that the lending institution presented the application to the Secretary. If the Secretary rejects the application within the 14-

day period, the Secretary shall state, in writing, the reasons the application was rejected.”.

SEC. 2105. FEDERAL-STATE BEGINNING FARMER PARTNERSHIP.

(a) COORDINATION OF ASSISTANCE FOR ELIGIBLE BEGINNING FARMERS AND RANCHERS.—Section 309 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929) is amended by adding at the end the following:

“(i)(1) Within 60 days after any State expresses to the Secretary, in writing, a desire to coordinate the provision of financial assistance to eligible beginning farmers and ranchers in the State, the Secretary and the State shall conclude a joint memorandum of understanding which shall govern how the Secretary and the State are to do so.

“(2) The memorandum of understanding shall provide that if a State beginning farmer program makes a commitment to provide an eligible beginning farmer or rancher (as defined in section 310E(e)) with financing to establish or maintain a viable farming or ranching operation, the Secretary shall, subject to applicable law, normal loan approval criteria, and the availability of funds, provide the farmer or rancher with—

“(A) a downpayment loan under section 310E;

“(B) a guarantee of the financing provided by the State program; or

“(C) such a loan and such a guarantee.

“(3) The Secretary may not charge any person any fee with respect to the provision of any guarantee under this subsection.

“(4) As used in paragraph (1), the term ‘State beginning farmer program’ means any program which is—

“(A) carried out by, or under contract with, a State; and

“(B) designed to assist persons in obtaining the financial assistance necessary to enter agriculture and establish viable farming or ranching operations.”.

(b) ADVISORY COMMITTEE.—

(1) ESTABLISHMENT; PURPOSE.—Within 18 months after the date of the enactment of this section, the Secretary of Agriculture shall establish an advisory committee, to be known as the “Advisory Committee on Beginning Farmers and Ranchers”, which shall provide advice to the Secretary on—

(A) the development of the program of coordinated assistance to eligible beginning farmers and ranchers under section 309(i) of the Consolidated Farm and Rural Development Act;

(B) ways to maximize the number of new farming and ranching opportunities created through such program;

(C) ways to encourage States to participate in such program;

(D) the administration of such program; and

(E) other methods of creating new farming or ranching opportunities.

(2) MEMBERSHIP.—The Secretary shall appoint the members of the Advisory Committee which shall include representatives from the following:

(A) The Farmers Home Administration.

(B) State beginning farmer programs (as defined in section 309(i)(3) of the Consolidated Farm and Rural Development Act).

(C) Commercial lenders.

(D) Private nonprofit organizations with active beginning farmer or rancher programs.

(E) The Cooperative Extension Service.

(F) Community colleges or other educational institutions with demonstrated experience in training beginning farmers or ranchers.

(G) Other specialists in lending or technical assistance for beginning farmers and ranchers.

SEC. 2106. GRADUATION OF BORROWERS WITH OPERATING LOANS OR GUARANTEES TO PRIVATE COMMERCIAL CREDIT.

Subtitle B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941-1947) is amended by adding after the section added by section 2101(a) of this Act the following:

“SEC. 319. GRADUATION OF BORROWERS ASSISTED UNDER THIS SUBTITLE TO PRIVATE COMMERCIAL CREDIT.

“(a) GRADUATION PLAN.—The Secretary shall establish a plan, in coordination with activities under sections 359, 360, 361, and 362, to encourage each borrower with an outstanding loan under this subtitle or with respect to whom there is an outstanding guarantee under this subtitle to graduate to private commercial or other sources of credit.

“(b) LIMITATION ON PERIOD FOR WHICH BORROWERS ARE ELIGIBLE FOR ASSISTANCE UNDER THIS SUBTITLE.—Notwithstanding any other provision of this subtitle:

“(1) GENERAL RULE.—Except as provided in paragraph (2), the Secretary may not—

“(A) make a loan to a borrower under this subtitle for any year after the 10th year for which such a loan is made to the borrower; or

“(B) guarantee for any year a loan made to the borrower for a purpose specified in this subtitle, after the 15th year for which loans under this subtitle are made to, or such a guarantee is provided with respect to, the borrower.

“(2) TRANSITION RULE.—If, as of the date of the enactment of this section, the Secretary has made loans to a borrower under this subtitle for 5 or more years, or has provided guarantees for 10 or more years with respect to 1 or more loans made to the borrower for a purpose specified in this subtitle, the Secretary may not make a loan to the borrower under this subtitle, or provide such a guarantee with respect to a loan made to the borrower for a purpose specified in this subtitle, after the 5th year occurring after such date of enactment for which a loan is made under this subtitle to, or such a guarantee is provided with respect to, the borrower.”.

SEC. 2107. SIMPLIFIED APPLICATION FOR GUARANTEED LOANS OF \$50,000 OR LESS.

Section 333A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a) is amended by adding at the end the following:

“(f)(1) The Secretary shall provide to lenders a short, simplified application form for guarantees under this title of loans the principal amount of which is \$50,000 or less.

“(2) In developing the application, the Secretary shall—

“(A) consult with commercial and cooperative lenders; and

“(B) ensure that—

“(i) the form can be completed manually or electronically, at the option of the lender;

“(ii) the form minimizes the documentation required to accompany the form;

“(iii) the cost of completing and processing the form is minimal; and

“(iv) the form can be completed and processed in an expeditious manner.”.

SEC. 2108. TARGETING OF LOANS TO MEMBERS OF GROUPS WHOSE MEMBERS HAVE BEEN SUBJECTED TO GENDER PREJUDICE.

Section 355(e)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)(1)) is amended by striking “or ethnic” and inserting “, ethnic, or gender”.

SEC. 2109. RECORDKEEPING OF LOANS BY BORROWER'S GENDER.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981-2008c) is amended by adding at the end the following:

“SEC. 369. RECORDKEEPING OF LOANS BY BORROWER'S GENDER.

“The Secretary shall classify, by gender, records of applicants for loans and guarantees under this title.”.

SEC. 2110. INCREASE IN PERIOD DURING WHICH COUNTY COMMITTEE LOAN ELIGIBILITY CERTIFICATION CONTINUES IN EFFECT.

Section 333(2)(A)(iii) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983(2)(A)(iii)) is amended by striking "2 years" and inserting "5 years".

SEC. 2111. LIMITATION ON AGGREGATE INDEBTEDNESS.

Section 305 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925) is amended by striking "and 310D of this title" and inserting "310D, and 310E".

SEC. 2112. GRADUATION OF SEASONED BORROWERS TO THE LOAN GUARANTEE PROGRAM.

Section 333A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a) is amended by adding after the subsection added by section 2107 of this Act the following:

"(g) GRADUATION OF SEASONED BORROWERS TO THE LOAN GUARANTEE PROGRAM.—

"(1) IN GENERAL.—The Secretary shall annually review the operating loans made under section 312 to each seasoned borrower, and if, based on the review, the Secretary determines that the borrower is able to obtain a loan, guaranteed by the Secretary, from commercial or cooperative lenders at reasonable rates and terms, and for purposes and periods of time similar to those for which the operating loan was made to the borrower, then the borrower shall be ineligible to receive a new operating loan under section 312 for similar purposes, unless the borrower demonstrates to the Secretary that the borrower is unable to obtain such a guaranteed loan.

"(2) LISTING OF SEASONED BORROWERS.—Within 180 days after the date of the enactment of the Agricultural Credit Improvement Act of 1992, and annually thereafter, the Secretary may direct all county offices to make available to qualified lenders a listing of all seasoned borrowers, as provided in regulations issued by the Secretary.

"(3) QUALIFIED LENDERS.—Upon request and upon application for a guaranteed loan to a qualified lender, by a seasoned borrower, the Farmers Home Administration shall provide the lender with all current and past documentation relating to the approval and the continued compliance with the terms of the direct operating loan then held by the borrower.

"(4) INTEREST RATE.—To the extent necessary for the borrower to obtain a loan, guaranteed by the Secretary, from a commercial or cooperative lender, the Secretary shall provide interest rate reductions under section 351.

"(5) DEFINITIONS.—As used in this subsection:

"(A) SEASONED BORROWER.—The term 'seasoned borrower' means a borrower—

"(i) to whom a loan has been made under section 312; and

"(ii) who has maintained a satisfactory borrowing relationship with the Farmers Home Administration for at least 24 consecutive months.

"(B) QUALIFIED LENDER.—The term 'qualified lender' means a lender approved by the Secretary under—

"(i) the approved lender program established by exhibit A to subpart B of part 1980 of title 7, Code of Federal Regulations, January 1, 1991, edition;

"(ii) the certified lender program established under section 339(c); or

"(iii) any program that is a successor to either of such programs."

SEC. 2113. DEADLINE FOR ISSUANCE OF REGULATIONS.

Not later than September 30, 1993, the Secretary of Agriculture shall issue interim final regulations to implement the amendments made by this subtitle.

Subtitle B—Amendments to the Farm Credit Act of 1971

SEC. 2201. VALUATION OF RESERVES OF PRODUCTION CREDIT ASSOCIATIONS.

Section 2.3(b) of the Farm Credit Act of 1971 (12 U.S.C. 2074(b)) is amended to read as follows:

"(b) APPLICATION OF EARNINGS.—At the end of each fiscal year, each production credit association shall apply the amount of the earnings of the association for the fiscal year in excess of the operating expenses of the association (including provision for valuation of reserves against loan assets in accordance with generally accepted accounting principles)—

"(1) first to the restoration of the impairment (if any) of capital; and

"(2) second, to the establishment and maintenance of the surplus accounts, the minimum aggregate amount of which shall be prescribed by the Farm Credit Bank."

SEC. 2202. ELIMINATION OF AUTHORITY OF FARM CREDIT SYSTEM INSURANCE CORPORATION TO APPOINT NONVOTING MEMBER OF FARM CREDIT SYSTEM FUNDING CORPORATION BOARD.

Section 4.9(d)(2) of the Farm Credit Act of 1971 (12 U.S.C. 2160(d)(2)) is amended—

(1) in the paragraph heading, by striking "REPRESENTATIVES" and inserting "REPRESENTATIVE";

(2) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); and

(3) in subparagraph (B), as so redesignated, by striking "persons" and all that follows through "Insurance Corporation" and inserting "person so designated".

SEC. 2203. EXPANSION OF WATER AND SEWER LENDING AUTHORITY OF BANKS FOR COOPERATIVES.

Section 3.7(f) of the Farm Credit Act of 1971 (12 U.S.C. 2128(f)) is amended—

(1) by striking "the installation, expansion, or improvement of" and inserting "installing, maintaining, expanding, improving, or operating"; and

(2) by striking "to extend" and inserting "extending".

SEC. 2204. EQUITY VOTING FOR ONE DIRECTOR OF EACH BANK FOR COOPERATIVES.

Section 3.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2123(a)) is amended by inserting "and, notwithstanding section 3.3(d), the bylaws may provide for 1 director to be elected on the basis of 1 vote for each share of voting stock of the bank" before the period.

SEC. 2205. PER DIEM COMPENSATION OF BANK DIRECTORS.

(a) IN GENERAL.—Section 4.21 of the Farm Credit Act of 1971 (12 U.S.C. 2209) is amended to read as follows:

"SEC. 4.21. COMPENSATION OF DIRECTORS.

"Each member of the board of directors of a System bank may receive compensation only for days during the year in which engaged in the performance of duties of such a director, and in an amount not exceeding \$300 for each such day, adjusted annually to reflect any increase in the cost of living since the end of 1991, as determined under regulations prescribed by the Farm Credit Administration."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 1993.

SEC. 2206. FREQUENCY OF EXAMINATIONS OF SYSTEM INSTITUTIONS.

Section 5.19(a) of the Farm Credit Act of 1971 (12 U.S.C. 2254(a)) is amended by striking the 1st and 2nd sentences and inserting "Not less frequently than once every 3 years, Farm Credit Administration examiners shall examine each institution of the Farm Credit System at such times as the Farm Credit Administration Board may determine."

SEC. 2207. AUTHORITY TO EXAMINE SYSTEM INSTITUTIONS.

(a) AUTHORITY OF FARM CREDIT SYSTEM INSURANCE CORPORATION.—Section 5.59(b) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-8(b)) is amended to read as follows:

"(b) EXAMINATION OF SYSTEM INSTITUTIONS.—

"(1) EXAMINATION AUTHORITY.—

"(A) IN GENERAL.—If the Board of Directors deems it necessary to examine an insured System bank, a production credit association, an association making direct loans under the authority provided under section 7.6, or any System institution in receivership, the Board may, using Farm Credit Administration examiners, conduct the examination using reports and other information on the System institution prepared or held by the Farm Credit Administration.

"(B) REQUEST FOR ADDITIONAL EXAMINATION OR OTHER INFORMATION.—If the Board determines that such reports or information are not adequate to enable the Corporation to carry out the duties of the Corporation under this part, the Board shall request the Farm Credit Administration to examine or to obtain other information from or about the System institution and provide to the Corporation the resulting examination report or such other information.

"(2) APPOINTMENT OF EXAMINERS.—If the Farm Credit Administration informs the Corporation that the Farm Credit Administration is unable to comply with a request made under paragraph (1)(B) with respect to a System institution, the Board may appoint examiners to examine the institution.

"(3) POWERS AND REPORT.—Each examiner appointed under paragraph (2) shall make such examination of the affairs of the System institution as the Board may direct, and shall make a full and detailed report of the examination to the Corporation.

"(4) APPOINTMENT OF CLAIM AGENTS.—The Board of Directors of the Corporation shall appoint claim agents who may investigate and examine all claims for insured obligations."

(b) DUTIES OF THE FARM CREDIT ADMINISTRATION.—Section 5.19 of such Act (12 U.S.C. 2254) is amended by adding at the end the following:

"(d) Upon receipt of a request made under section 5.59(b)(1)(B) with respect to a System institution, the Farm Credit Administration shall—

"(1) furnish for the confidential use of the Corporation reports of examination of the institution and other reports or information on the institution; and

"(2)(A) examine, or obtain other information on, the institution and furnish for the confidential use of the Corporation the report of the examination and such other information, or

"(B) if the Farm Credit Administration Board determines that compliance with the request would substantially impair the ability of the Farm Credit Administration to carry out the other duties and responsibilities of the Farm Credit Administration under this Act, notify the Board of Directors of the Farm Credit System Insurance Corporation that the Farm Credit Administration will be unable to comply with the request."

SEC. 2208. REPEAL OF PROHIBITION AGAINST GUARANTEE OF CERTAIN INSTRUMENTS OF INDEBTEDNESS.

Section 4.16 of the Farm Credit Act of 1971 (12 U.S.C. 2204) is hereby repealed.

SEC. 2209. CLARIFICATION OF TREATMENT OF FARM CREDIT ADMINISTRATION OPERATING EXPENSES.

Section 5.15(b)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2250(b)(1)) is amended—

(1) by inserting "for purposes of sequestration," after "regard"; and

(2) by striking "or any other law".

SEC. 2210. APPROVAL OF COMPETITIVE CHARTERS.

Section 5.17(a) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)) is amended by adding at the end the following:

"(13)(A) Subject to subparagraph (B), the Farm Credit Administration may approve an amendment to the charter of any institution of the Farm Credit System operating under title I or II, which would authorize the institution to exercise lending authority in any territory—

"(i) in the geographic area served by an association that was reassigned pursuant to section 433 of the Agricultural Credit Act of 1987 (where such geographic area was a part of the association's territory as of the date of such reassignment); and

"(ii) in which the charter of an institution that is not seeking the charter amendment authorizes such institution to exercise the type of lending authority that is the subject of the charter request.

"(B) The Farm Credit Administration may approve a charter amendment under subparagraph (A) only upon the approval of—

"(i) the respective boards of directors of the associations that, if the charter request is approved, would exercise like lending authority in any of the territory that is the subject of the charter request;

"(ii) a majority of the stockholders of each association described in clause (i) voting, in person or by proxy, at a duly authorized stockholders' meeting; and

"(iii) the respective boards of directors of the Farm Credit Banks which, if the charter request is approved, would exercise, either directly or through associations, like lending authority in any of the territory described in subparagraph (A)(i).

"(14)(A) Subject to subparagraph (B), the Farm Credit Administration may approve a request to charter an association of the Farm Credit System to operate under title II where the proposed charter—

"(i) will include any of the geographic area included in the territory served by an association that was reassigned pursuant to section 433 of the Agricultural Credit Act of 1987 (where such geographic area was a part of the association's territory as of the date of such reassignment); and

"(ii) will authorize the association to exercise lending authority in any territory in such geographic area in which the charter of an association that is not requesting the charter authorizes such association to exercise the type of lending authority that is the subject of the charter request.

"(B) The Farm Credit Administration may approve a charter request under subparagraph (A) only upon the approval of—

"(i) the respective boards of directors of the associations that, if the charter request is approved, would exercise like lending authority in any of the territory that is the subject of the charter request;

"(ii) a majority vote of the stockholders (if any) of each association described in clause (i) voting, in person or by proxy, at a duly authorized stockholder's meeting; and

"(iii) the respective boards of directors of the Farm Credit Banks which, if the charter request is approved, would exercise, either directly or through associations, like lending authority in any of the territory described in subparagraph (A)(i)."

Subtitle C—Technical Corrections

SEC. 2301. TECHNICAL CORRECTIONS.

(a) CORRECTION OF REFERENCE TO SECTION 1236 OF THE FOOD SECURITY ACT OF 1985.—Title I of the Department of the Interior and Related Agencies Appropriations Act, 1991 is amended, in the item designated "CONSTRUCTION AND ANADROMOUS FISH" under the heading "UNITED STATES FISH AND WILDLIFE

SERVICE", by striking "title 16 U.S.C. section 3832(a)(6)" and inserting "section 1232(a)(6) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(6))".

(b) SECTION 1245(b) OF THE FOOD SECURITY ACT OF 1985.—

(1) CORRECTION.—Section 1245(b) of the Food Security Act of 1985 (16 U.S.C. 3845(b)) is amended by striking "(A) through (G)" and inserting "A through G".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) of this subsection shall take effect immediately after section 1443 of the Food, Agriculture, Conservation, and Trade Act of 1990 took effect.

(c) SECTION 307(a)(6)(B) OF THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—

(1) CORRECTION.—Section 307(a)(6)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(6)(B)) is amended by striking clause (ii), and by redesignating clauses (iii) through (viii) as clauses (ii) through (vii), respectively.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) of this subsection shall take effect at the same time as the amendments made by subsection (a) of section 501 of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 took effect.

(d) SECTION 310D(a) OF THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—

(1) CORRECTION.—Section 310D(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1934(a)) is amended by striking "304(d)(1)" and inserting "304(a)(1)".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) of this subsection shall take effect at the same time as the amendments made by subsection (a) of section 501 of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 took effect.

(e) SECTION 312(a) OF THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—

(1) REPLACEMENT OF UNEXECUTABLE AMENDMENT MADE BY THE FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—

(A) CORRECTION.—Section 1818(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (P.L. 101-624; 104 Stat. 3830) is amended to read as follows:

"(b) OPERATING LOAN PURPOSES.—The first sentence of section 312(a) (7 U.S.C. 1942(a)) is amended—

"(1) by striking 'and' at the end of clause (1); and

"(2) by inserting ', and (13) borrower training under section 359' before the period at the end."

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect as if included in the Food, Agriculture, Conservation, and Trade Act of 1990 at the time such Act became law.

(2) REPEAL OF UNEXECUTABLE AMENDMENT MADE BY THE FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT AMENDMENTS OF 1991.—Subsection (b) of section 501 of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (P.L. 102-237; 105 Stat. 1866) is hereby repealed, and the Consolidated Farm and Rural Development Act shall be applied and administered as if such subsection had never become law.

(f) AMENDMENTS TO SECTION 331E OF THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—

(1) CORRECTION.—Section 331E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981e) is amended—

(A) in subsection (a), by striking "Disaster Relief Act of 1974" and inserting "the Robert T. Stafford Disaster Relief and Emergency Assistance Act"; and

(B) in subsection (b), by inserting "Robert T. Stafford" before "Disaster Relief".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) of this subsection

shall take effect immediately after subsection (d) of section 501 of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 took effect.

(g) SECTION 335(e)(1)(A)(i) OF THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—

(1) CORRECTIONS TO AMENDMENT MADE BY THE FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT AMENDMENTS OF 1991.—Paragraph (1) of section 501(f) of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (P.L. 102-237; 105 Stat. 1867) is amended—

(A) by inserting "the 1st place such term appears" before "and all that follows"; and

(B) by striking "borrower-owner (as defined in subparagraph (F))" and inserting "the borrower-owner (as defined in subparagraph (F))".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) of this subsection shall take effect immediately after subsection (f) of section 501 of the Food, Agriculture, Conservation, and Trade Act of 1990 took effect.

(h) SECTION 352(a) OF THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—Section 352(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2000(a)) is amended by redesignating the second paragraph (4) as paragraph (5).

(i) SECTION 352(b)(2) OF THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—

(1) CORRECTION.—Section 352(b)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2000(b)(2)) is amended by striking "borrower's" and inserting "borrower-owner's".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) of this subsection shall take effect at the same time as the amendments made by subsection (f) of section 501 of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 took effect.

(j) SECTION 702(h)(2) OF THE FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT AMENDMENTS OF 1991.—Section 702(h)(2) of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (P.L. 102-237; 105 Stat. 1881) is amended by inserting "section" before "2388(h)(3)".

(k) SECTION 306C(b)(1) OF THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—Section 306C(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926c(b)(1)) is amended by striking "or connecting such systems to the residences of such individuals" and inserting ", connecting such systems to the residences of such individuals, or installing plumbing and fixtures within the residences of such individuals to facilitate the use of the water supply and waste disposal systems".

(l) SECTION 306C OF THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—Section 306C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926c) is amended by adding at the end the following:

"(f) Within 30 days after the date of the enactment of this subsection, the Secretary shall issue interim final regulations, with a request for public comments, implementing this section."

Subtitle D—Effective Date

SEC. 2401. EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments and repeal made by this title shall take effect on the date of the enactment of this Act.

TITLE III—RURAL ELECTRIFICATION ADMINISTRATION IMPROVEMENT ACT OF 1992

SEC. 3001. SHORT TITLE.

This title may be cited as the "Rural Electrification Administration Improvement Act of 1992".

SEC. 3002. DISCOUNTED LOAN PREPAYMENT.

(a) IN GENERAL.—Subsection (a) of section 306B of the Rural Electrification Act of 1936

(7 U.S.C. 936b(a)) is amended to read as follows:

“(a) DISCOUNTED PREPAYMENT BY BORROWERS OF ELECTRIC LOANS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), a direct or insured loan made under this Act shall not be sold or prepaid at a value that is less than the outstanding principal balance on the loan.

“(2) EXCEPTION.—On request of the borrower, an electric loan made under this Act, or a portion thereof, that was advanced before May 1, 1992, or has been advanced for not less than 2 years, shall be sold to or prepaid by the borrower at the lesser of—

“(A) the outstanding principal balance on the loan; or

“(B) the loan's present value discounted from the face value at maturity at the rate established by the Administrator.

“(3) DISCOUNT RATE.—The discount rate applicable to the prepayment under this subsection of a loan or loan advance shall be the then current cost of funds to the Department of the Treasury for obligations of comparable maturity to the remaining term of the loan.

“(4) TAX EXEMPT FINANCING.—If a borrower prepaies a loan under this subsection using tax exempt financing, the discount shall be adjusted to ensure that the borrower receives a benefit that is equal to the benefit the borrower would receive if the borrower used fully taxable financing. The borrower shall certify in writing whether the financing will be tax exempt and shall comply with such other terms and conditions as the Administrator may establish that are reasonable and necessary to carry out this subsection.

“(5) ELIGIBILITY.—

“(A) IN GENERAL.—A borrower that has prepaid an insured or direct loan shall remain eligible for assistance under this Act in the same manner as other borrowers, except that—

“(i) a borrower that has prepaid a loan, either before or after the date of the enactment of this subsection, at a discount rate as provided by paragraph (3), shall not be eligible, except at the discretion of the Administrator, to apply for or receive direct or insured loans under this Act for 60 months after the prepayment; and

“(ii) a borrower that prepaid a loan before such date of enactment at a discount rate greater than that provided by paragraph (3), shall not be eligible—

“(I) except at the discretion of the Administrator, to apply for or receive such direct or insured loans until 120 months after the date of the prepayment; or

“(II) to apply for or receive such direct or insured loans until the borrower has repaid to the Federal Government the sum of—

“(aa) the amount (if any) by which the discount the borrower received by reason of the prepayment exceeds the discount the borrower would have received had the discount been based on the cost of funds to the Department of the Treasury at the time of the prepayment; and

“(bb) interest on the amount described in item (aa), for the period beginning on the date of the prepayment and ending on the date of the repayment, at a rate equal to the average annual cost of borrowing by the Department of the Treasury.

In cases where a borrower and the Administrator have entered into an agreement with respect to a prepayment occurring before such date of enactment, this paragraph shall supersede any provision in the agreement relating to the restoration of eligibility for loans under this Act.

“(B) DISTRIBUTION BORROWERS.—A distribution borrower not in default on the repayment of loans made or insured under this Act shall be eligible for discounted prepayment

as provided in this subsection. For the purpose of determining eligibility for discounted prepayment under this subsection or eligibility for assistance under this Act, a default by a borrower from which a distribution borrower purchases wholesale power shall not be considered a default by the distribution borrower.

“(6) DEFINITIONS.—As used in this subsection:

“(A) DIRECT LOAN.—The term ‘direct loan’ means a loan made under section 4.

“(B) INSURED LOAN.—The term ‘insured loan’ means a loan made under section 305.”

(b) CONFORMING AMENDMENT.—Section 306B(b) of such Act (7 U.S.C. 936b(b)) is amended by striking “(b) Notwithstanding” and inserting the following:

“(b) MERGERS OF ELECTRIC BORROWERS.—Notwithstanding”.

SEC. 3003. REPEAL OF SECTION 412.

Section 412 of the Rural Electrification Act of 1936 (7 U.S.C. 950b) is hereby repealed.

SEC. 3004. REPEAL OF SECTION 311.

Section 311 of the Rural Electrification Act of 1936 (7 U.S.C. 940a) is hereby repealed.

SEC. 3005. GRANTS TO ENABLE PROVIDERS OF HEALTH CARE AND EDUCATIONAL SERVICES IN RURAL AREAS TO IMPLEMENT INTERACTIVE TELECOMMUNICATIONS SYSTEMS.

(a) FINDINGS.—The Congress finds that—

(1) interactive telecommunications systems hold the potential to alleviate many of the problems rural Americans face in obtaining access to adequate health care and expanded educational services; and

(2) access to such systems by providers of health care services and educational institutions in rural areas would greatly increase their ability to provide more comprehensive health care and education to rural, underserved populations.

(b) GRANT PROGRAM.—Subtitle D of title XXIII of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by adding at the end the following:

“CHAPTER 3—IMPROVEMENT OF HEALTH CARE SERVICES AND EDUCATIONAL SERVICES THROUGH TELECOMMUNICATIONS

“SEC. 2338. GRANT PROGRAM.

“(a) ESTABLISHMENT.—The Administrator of the Rural Electrification Administration (in this chapter referred to as the ‘Administrator’) shall establish a program for providing grants to any qualified consortium to assist the consortium in obtaining access to modern interactive telecommunications systems through the public switched network.

“(b) DEFINITIONS.—

“(1) QUALIFIED CONSORTIUM.—As used in this chapter, the term ‘qualified consortium’ means a consortium which—

“(A) provides health care services or educational services in a rural area of a qualified State; and

“(B) is composed of—

“(i) a tertiary care facility, rural referral center, or medical teaching institution, or an educational institution accredited by the State;

“(ii) any number of institutions that provide health care services or educational services; and

“(iii) (I) in the case of a consortium seeking a grant under this chapter to improve health care services, not less than 3 rural hospitals, clinics, community health centers, migrant health centers, local health departments, or similar facilities; or

“(II) in the case of a consortium seeking a grant under this chapter to improve educational services, not less than 3 educational institutions accredited by the State.

“(2) QUALIFIED STATE.—The term ‘qualified State’ means a State which has adopted, within 1 year after the date final regulations

are prescribed to carry out this chapter, a plan for the upgrading and modernization of the rural telecommunications infrastructure of the State which, among other things—

“(A) provides for the elimination of party line service in rural areas of the State;

“(B) encourages and improves the use of telecommunications, computer networks, and related advanced technologies to provide educational and medical benefits to people in rural areas of the State;

“(C) provides for an enhancement in the quality and availability of educational opportunities for students in rural areas of the State;

“(D) provides for improvement in the quality of medical care provided, and access to medical care afforded, to people in rural areas of the State;

“(E) provides incentives for local telephone exchange carriers to improve the quality of telephone service and access to advanced telecommunications services for subscribers in rural areas of the State, including facsimile document transmission, multifrequency tone signaling services, interactive audio and video transmissions, voicemail services, and other telecommunications services;

“(F) provides for the full participation of rural areas in the modernization of the telecommunications network through the implementation of joint coordinated network planning, design, and cooperative implementation among all local telephone exchange carriers in the provision of public switched network infrastructure and services;

“(G) provides for the achievement, preservation, and enhancement of universal service by bringing reasonably priced, high-quality, advanced telecommunications network capabilities to the people of the rural areas of the State, including through the sharing of public switched network infrastructure and functionality by local telephone exchange carriers at the request of local telephone exchange carriers lacking economies of scale or scope to provide such infrastructure or functionality on their own;

“(H) provides for the achievement of such goals within 10 years after the adoption of the plan; and

“(I) does not alter the boundaries of any local telephone exchange company franchised service area designated or recognized by the State, or the equivalent in the State.

“(3) RURAL AREA.—The term ‘rural area’ has the meaning given such term in section 203(b) of the Rural Electrification Act of 1936.

“(4) TELEPHONE SERVICE.—The term ‘telephone service’ has the meaning given such term in section 203(a) of the Rural Electrification Act of 1936.

“(c) SELECTION OF GRANT RECIPIENTS.—

“(1) APPLICATION REQUIREMENT.—

“(A) IN GENERAL.—Any qualified consortium that provides services in a State and desires to obtain a grant under this chapter shall submit to a State agency designated by the Governor of the State an application in such form, containing such information and assurance, and at such time, as the Administrator may require.

“(B) CONTENTS OF APPLICATION.—The application shall contain or be accompanied by—

“(i) a copy of the State plan described in subsection (b)(2);

“(ii) the plan of the applicant, for obtaining access to interactive telecommunications systems, which—

“(I) specifies, consistent with subsection (f), the uses to be made of such systems;

“(II) demonstrates that the systems will be capable of being readily connected to the established public switched network; and

“(III) is compatible with the State plan; and

"(iii) a commitment by the State to make a grant to the applicant in an amount equal to 20 percent of the funds required to carry out the plan of the applicant, conditional upon a commitment by the Administrator to make 1 or more grants to the applicant under this chapter in an amount equal to 80 percent of the funds required to carry out the plan of the applicant.

"(2) REVIEW AND COMMENT.—The State agency shall review the application and the applicant's plan and, after any revisions made by the applicant are incorporated, transmit to the Administrator the application and plans, and the comments of the State agency.

"(3) SELECTION OF GRANTEEES.—The Administrator shall—

"(A) review the applications and plans transmitted pursuant to paragraph (2);

"(B) consider the comments of the State agency with respect to the application; and

"(C) make grants in accordance with paragraph (4) to each applicant therefor that complies with the requirements of this chapter and the regulations prescribed by the Administrator to carry out this chapter.

"(4) PRIORITIES.—Priority for grants under this chapter shall—

"(A) be accorded to applicants whose applications demonstrate—

"(i) the greatest likelihood of successfully and efficiently carrying out the activities described in subsection (f) (1);

"(ii) the participation of the local telephone exchange carrier in providing and operating the telecommunications transmission facilities required by the plan; and

"(iii) unconditional financial support from the local community; and

"(B) so as to ensure, to the extent possible, that various regions of the United States benefit from the use of the grants.

"(d) MAXIMUM AMOUNT OF GRANT.—The amount of each grant under this chapter shall not exceed \$1,500,000.

"(e) DISTRIBUTION OF GRANTS.—Grants to any qualified consortium under this chapter shall be disbursed over a period of not more than 3 years.

"(f) USE OF FUNDS.—

"(1) IN GENERAL.—Grants under this chapter may be used to support the costs of activities involving the sending and receiving of information to improve health care services or educational services in rural areas, including—

"(A) in the case of grants to improve health care services—

"(i) consultations between health care providers;

"(ii) transmitting and analyzing x-rays, lab slides, and other images;

"(iii) developing and evaluating automated claims processing, and transmitting automated patient records; and

"(iv) developing innovative health professions education programs;

"(B) in the case of grants to improve educational services—

"(i) developing innovative education programs and expanding curriculum offerings;

"(ii) providing continuing education to all members of the community;

"(iii) providing the means for libraries of educational institutions or public libraries to share resources;

"(iv) providing the public with access to State and national data bases;

"(v) conducting town meetings; and

"(vi) covering meetings of agencies of State government; and

"(C) in all cases—

"(i) transmitting financial information; and

"(ii) such other related activities as the Administrator deems to be consistent with the purposes of this chapter.

"(2) LIMITATION ON ACQUISITION OF INTERACTIVE TELECOMMUNICATIONS EQUIPMENT.—Not more than 40 percent of the amount of any grant made under this chapter may be used to acquire interactive telecommunications end user equipment.

"(3) LIMITATION ON USE OF CONSULTANTS.—Not more than 5 percent of the amount of any grant made under this chapter may be used to employ or contract with any consultant or similar person.

"(4) PROHIBITIONS.—Grants made under this chapter may not be used, in whole or in part, to establish or operate a telecommunications network or to provide any telecommunications service for hire.

"(g) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—

"(1) GRANTS TO IMPROVE RURAL HEALTH CARE SERVICES.—For grants under this chapter to improve health care services, there are authorized to be appropriated to the Administrator not to exceed \$30,000,000 for each fiscal year.

"(2) GRANTS TO IMPROVE RURAL EDUCATIONAL SERVICES.—For grants under this chapter to improve educational services, there are authorized to be appropriated to the Administrator not to exceed \$20,000,000 for each fiscal year.

"(3) AVAILABILITY OF FUNDS.—Sums appropriated pursuant to this subsection are authorized to remain available until expended."

(c) ELIMINATION OF PREFERENCE FOR RURAL TELEPHONE BANK LOANS FOR BORROWERS LOCATED IN STATES WITH PLANS FOR UPGRADING RURAL TELECOMMUNICATIONS INFRASTRUCTURE.—Section 408(b)(2) of the Rural Electrification Act of 1936 (7 U.S.C. 948(b)(2)) is amended by inserting "which is not located in a qualified State (as defined in section 2338(b)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990)" after "any borrower".

SEC. 3006. INCREASE IN LIMITATION ON POPULATION OF RURAL AREAS FOR PURPOSES OF TELEPHONE LOANS.

(a) IN GENERAL.—Section 203(b) of the Rural Electrification Act of 1936 (7 U.S.C. 924(b)) is amended by striking "one thousand five hundred" and inserting "10,000".

(b) CONFORMING AMENDMENT.—Section 13 of such Act (7 U.S.C. 913) is amended by inserting "(except in title II)" before "shall be deemed to mean any area".

SEC. 3007. SENSE OF THE CONGRESS.

It is the sense of the Congress that persons who are eligible for telephone loans under the Rural Electrification Act of 1936 and are interested in upgrading telecommunications in rural areas should obtain financial assistance under such Act through a subsidiary in order to limit the assets subject to the lien requirements of such Act.

SEC. 3008. REGULATIONS.

Within 180 days after the date of the enactment of this Act, the Administrator of the Rural Electrification Administration and the Governor of the Rural Telephone Bank shall prescribe such regulations as may be necessary to carry out the amendments made by this title.

TITLE IV—PERISHABLE AGRICULTURAL COMMODITIES ACT TECHNICAL AMENDMENTS OF 1992

SEC. 4001. SHORT TITLE.

This title may be cited as the "Perishable Agricultural Commodities Act Technical Amendments of 1992".

SEC. 4002. REAFFIRMATION OF FINDINGS.

Congress hereby reaffirms the findings of section 5(c)(1) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499(c)(1)) that a burden on commerce in perishable agricultural commodities is caused by financing arrangements under which commission

merchants, dealers, or brokers, who have not made payment for perishable agricultural commodities purchased, contracted to be purchased, or otherwise handled by them on behalf of another person, encumber or give lenders a security interest in, such commodities, or on inventories of food or other products derived from such commodities or products, and any receivables or proceeds from the sale of such commodities or products, and that such arrangements are contrary to the public interest; and that section 5(c) of such Act is intended to remedy such burden on commerce in perishable agricultural commodities and to protect the public interest.

SEC. 4003. TECHNICAL AMENDMENT.

Section 5(c)(2) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499e(c)(2)) is amended to read as follows:

"(2) Perishable agricultural commodities received by a commission merchant, dealer, or broker in all transactions, and all inventories of food or other products derived from perishable agricultural commodities, and any receivables or proceeds from the sale of such commodities or products, shall be held in trust by such commission merchant, dealer, broker, or by a lender who finances the business operations of such a commission merchant, dealer, or broker, whether or not the lender holds a security interest in such trust assets, for the benefit of all unpaid suppliers or sellers of such commodities or agents involved in the transaction, until full payment of the sums owing in connection with such transactions has been received by such unpaid suppliers, sellers, or agents. Payment shall not be considered to have been made if the supplier, seller, or agent receives a payment instrument which has been dishonored. The provisions of this subsection shall not apply to transactions between a co-operative association (as defined in section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1141j(a)), and its members."

TITLE V—EQUITABLE TREATMENT FOR SUGARCANE PRODUCERS

SEC. 5001. EQUITABLE TREATMENT FOR PRODUCERS.

Section 359f(b)(5) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ff(b)(5)) (hereinafter referred to as "the 1938 Act"), is amended by striking subparagraph (B) and inserting the following:

"(B) DETERMINATION OF VIOLATION.—No producer shall be considered to have violated subparagraph (A) unless the processor of the sugarcane harvested by such producer from acreage in excess of the proportionate share of the farm markets an amount of sugar that exceeds the allocation of such processor for a fiscal year.

"(C) CIVIL PENALTY.—Any producer on a farm who violates subparagraph (A) by knowingly harvesting, or allowing to be harvested, an acreage of sugarcane in excess of the farm's proportionate share shall be liable to the Commodity Credit Corporation for a civil penalty equal to one and one-half times the United States market value of the quantity of sugar that is marketed by the processor of such sugarcane in excess of the allocation of such processor for the fiscal year. The Secretary shall prorate penalties imposed under this subparagraph in a fair and equitable manner among all the producers of sugarcane harvested from excess acreage that is acquired by such processor."

SEC. 5002. ADJUSTMENT AFTER DISASTER.

Section 359f(b) of the 1938 Act, as amended by section 5001 of this Act, is further amended by inserting after paragraph (6) the following new paragraph:

"(7) ADJUSTMENTS.—Whenever the Secretary determines that, because of a natural disaster or other condition beyond the control of producers that adversely affects a crop of sugarcane subject to proportionate

shares, the amount of sugarcane produced by producers subject to the proportionate shares will not be sufficient to enable processors in the State to meet the State's cane sugar allotment and provide a normal carryover inventory of sugar, the Secretary may uniformly allow producers to harvest an amount of sugarcane in excess of their proportionate share, or suspend proportionate shares entirely, as necessary to enable processors to meet the State allotment and provide a normal carryover inventory of sugar."

SEC. 5003. CLARIFYING AND CONFORMING AMENDMENTS.

Section 359f(b) of the 1938 Act, as amended by sections 5001 and 5002 of this Act, is further amended—

- (1) in paragraph (1)(B), by—
 - (A) striking "production of sugar" and inserting "production of sugarcane"; and
 - (B) inserting "of sugar" before the period at the end;
- (2) in the first sentence of paragraph (2), by—
 - (A) striking "sugar processed from all crops by all processors" and inserting "sugarcane produced by producers in the area"; and
 - (B) inserting "of sugar" after "provide a normal carryover inventory"; and
- (3) in the second sentence of paragraph (2), by inserting "paragraph (7) and" after "under".

TITLE VI—USE OF ELECTRONIC COTTON WAREHOUSE RECEIPTS

SEC. 6001. USE OF ELECTRONIC COTTON WAREHOUSE RECEIPTS.

Section 17 of the United States Warehouse Act (7 U.S.C. 259) is amended—

- (1) in paragraph (1)(A) of subsection (c)—
 - (A) by striking "The Secretary of Agriculture, or" and inserting "Notwithstanding any other provisions of State or Federal law, the Secretary of Agriculture, or";
 - (B) by striking "licensed under this Act" and inserting "licensed under this Act or in any other warehouse";
 - (C) by striking "section 18" and inserting "section 18 or under any applicable State law";
 - (2) in paragraph (2)(A) of subsection (c), by striking "of this Act" and inserting "of this Act or State law";
 - (3) in paragraph (2)(B) of subsection (c), by striking "the Secretary may" and inserting "with respect to cotton stored in a warehouse licensed under this Act, the Secretary may";
 - (4) in paragraph (3) of subsection (c), by striking "licensed under this Act" and inserting "covered under this subsection"; and
 - (5) by adding the following new subsection at the end thereof:

"(e) Notwithstanding any other provision of State or Federal law, any person designated as a holder of an electronic cotton warehouse receipt on a record in a system of records applicable to cotton maintained on an electronic cotton warehouse receipt system approved by the Secretary of Agriculture pursuant to regulations issued under this section shall, for the purposes of perfecting the security interest of such person under State or Federal law with respect to the cotton covered by such warehouse receipt, be considered to be in possession of the warehouse receipt. This subsection is applicable to electronic cotton warehouse receipts covering cotton stored in a cotton warehouse, whether or not such warehouse is licensed under this Act."

The bill, as amended, was ordered to be engrossed and read a third time, was read a third time by title.

The question being put, viva voce,
Will the House pass said bill?

The SPEAKER pro tempore, Mr. McNULTY, announced that the yeas had it.

So the bill was passed.

On motion of Mr. DE LA GARZA, by unanimous consent, the bill of the Senate (S. 1709) to amend the Farm Credit Act of 1971 to enhance the financial safety and soundness of the Farm Credit System, and for other purposes; was taken from the Speaker's table.

When said bill was considered and read twice.

Mr. DE LA GARZA submitted the following amendment, which was agreed to:

Strike out all after the enacting clause and insert a text consisting of the provisions of H.R. 3298, H.R. 4906, H.R. 5237, H.R. 5741, H.R. 5763, and H.R. 5764, as passed by the House.

The bill, as amended, was ordered to be read a third time, was read a third time by title, and passed.

By unanimous consent, the title was amended so as to read: "An Act to enhance the financial safety and soundness of the banks and associations of the Farm Credit System."

A motion to reconsider the votes whereby said bill, as amended, was passed and the title was amended was, by unanimous consent, laid on the table.

Ordered. That the Clerk request the concurrence of the Senate in said amendments.

By unanimous consent, H.R. 3298, a similar House bill, was laid on the table.

**¶111.16 APPOINTMENT OF CONFEREES—
H.R. 5006**

The SPEAKER pro tempore, Mr. McNULTY, by unanimous consent, announced the Speaker's appointment of the following Members as managers on the part of the House to the conference with the Senate on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5006) to authorize appropriations for fiscal year of 1993 for military functions of the Department of Defense, to prescribe military personnel levels for fiscal year 1993, and for other purposes:

From the Committee on Armed Services, for consideration of the House bill, and the Senate amendment, and modifications committed to conference: Messrs. ASPIN, BENNETT, MONTGOMERY, and DELLUMS, Mrs. SCHROEDER, Mrs. BYRON, Messrs. MAVROULES, HUTTO, SKELTON, McCURDY, FOGLIETTA, and HERTEL, Mrs. LLOYD, Messrs. SISISKY, RAY, SPRATT, ORTIZ, DARDEN, PICKETT, LANCASTER, EVANS, BILBRAY, TANNER, McNULTY, BROWDER, DICKINSON, SPENCE, STUMP, HOPKINS, DAVIS, HUNTER, MARTIN, KASICH, BATEMAN, BLAZ, IRELAND, HANSEN, WELDON, KYL, RAVENEL, and DORNAN of California;

As additional conferees from the Permanent Select Committee on Intelligence, for matters within the jurisdiction of that committee under clause 2 of rule XLVIII: Mrs. KENNELLY, Mr. GLICKMAN, and Mr. SHUSTER;

As additional conferees from the Committee on Banking, Finance and Urban Affairs, for consideration of sections 1071, and 4501-02 of the House bill, and sections 838, 1092, 1093, 1094, and 1094B of the Senate amendment, and modifications committed to conference: Mr. CARPER, Mr. LAFALCE, Ms. OAKAR, and Messrs. VENTO, KANJORSKI, RIDGE, PAXON, and HANCOCK;

As additional conferees from the Committee on Education and Labor, for consideration of sections 3161-62, 4301-13, 4321-25, 4401, 4404-05, and 4607 of the House bill, and sections 333, 344, 531, 532, 804, 814(e), 1060, 1065, 1082-85, 1099E, 1301-07, and 3151-53 of the Senate amendment, and modifications committed to conference: Messrs. FORD of Michigan, CLAY, KILDEE, WILLIAMS, PERKINS, GOODLING, and GUNDERSON, and Mrs. ROUKEMA;

As additional conferees from the Committee on Energy and Commerce, for consideration of sections 321, 370, 1071, and 3161 of the House bill, and sections 313-17, 319-20, 824, 838, 1205, 2851-55, 2861, 3132, 3135, 3141, 315152, and 3201 of the Senate amendment, and modifications committed to conference: Messrs. DINGELL, SWIFT, and SHARP, Mrs. COLLINS of Illinois, and Messrs. ECKART, LENT, RITTER, and MOORHEAD; Provided, Mr. DANNEMEYER is appointed in lieu of Mr. MOORHEAD solely for consideration of sections 370 and 3161 of the House bill and section 3152 of the Senate amendment;

Mr. MCMILLAN of North Carolina is appointed in lieu of Mr. MOORHEAD solely for consideration of section 1071 of the House bill and sections 824 and 838 of the Senate amendment;

Mr. SCHAEFER is appointed in lieu of Mr. MOORHEAD solely for consideration of sections 2851-55 of the Senate amendment;

As additional conferees from the Committee on Foreign Affairs, for consideration of sections 146, 175, 204, 233, 234, 241, 304, 324, 365-68, 1031, 1033, 1056, 1057, 1059-60, 1064-65, 1067, 1069-70, 1101-06, 3132, and 3141-45 of the House bill, and sections 112, 223, 304, 361-62, 828, 836, 908, 921-22, 1041, 1043, 1050, 1055, 1057, 1061, 1063, 106667, 1071-73, 107576, 1091, 1093, 1094A-1094F, 1101-32, 1201-12, and 1401-08 of the Senate amendment, and modifications committed to conference: Messrs. FASCELL, HAMILTON, YATRON, SOLARZ, BERMAN, BROOMFIELD, GILMAN, and LAGOMARSINO;

Provided, that solely for consideration of section 1091 of the Senate amendment, Mr. GEJDENSON is appointed in lieu of Mr. FASCELL, and solely for consideration of sections 1201-12 of the Senate amendment, Mr. TORRICELLI is appointed in lieu of Mr. HAMILTON;

As additional conferees from the Committee on Government Operations, for consideration of sections 313, 374(f), 640, 814, 819, 821, 1002, and 2823 of the House bill, and sections 1003, 1048(f), and 2841 of the Senate amendment, and modifications committed to conference: Mr. CONYERS, Mrs. COLLINS of Illinois, and Messrs. TOWNS, THORNTON,